The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Why Not Apply "Roosevelt Tactics" in Dealing With Unruly Troops?

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Reconstruction of West China Speeded Up by War . . . . . By Hin Wong

SATURDAY, JANUARY 22, 1938 VOLUME 83, NUMBER 8

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J. B. Davies
Administrator
Ad Colligendum
208 Hamilton House
Shanghai, China.

密勒氏評論報

The China Weekly REVIEW

Formerly Millard's Review

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Formerly Millard's Review

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U.S. CURRENCY. REMITTANCES FROM OTHER COUNTRIES THAN CHINA AND THE U.S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

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JAPANESE CENSOR HOLDS UP ALL REPORTS OF ATROCITIES

TWO foreign correspondents who attempted to cable messages to newspapers abroad were prevented from doing so by Japanese censors stationed in the offices of the foreign cable companies. In both instances the messages included descriptions of atrocities perpetrated on the Chinese civilian populations by Japanese soldiers. The first instance of interference concerned a message filed to the *New York Herald-Tribune* by Victor Keen, correspondent for that paper stationed at Shanghai. Mr. Keen filed his message, which exceeded 500 words, at the office of the American-incorporated Commercial Pacific Cable Company at about 2 o'clock on the morning of Jan. 6. At about 3 o'clock on the following afternoon, some thirteen hours after the message had been delivered to the cable company, Mr. Keen was requested by telephone to call at the censor's office, which is located in the Cable Building, No. 34 Avenue Edward VII. When Mr. Keen called the Japanese censor informed him that it had been impossible to substantiate some of his statements referring to the activities of the Japanese Army in Hangchow; hence Mr. Keen was requested to withdraw the cable—which he was forced to do. The cable dealt with reports of atrocities perpetrated by Japanese troop on the Chinese civilian population at the Chekiang capital.

The next case was that of H. J. Timperley, correspondent in China for the well known British paper, *Manchester Guardian*. Mr. Timperley's dispatch also was concerned with the activities of Japanese soldiers on the Shanghai-Nanking sector and contained information that some 300,000 Chinese civilians allegedly had been slaughtered by the Japanese militarists following their occupation of the district. The dispatch also contained information, based on eye-witness accounts of lootings of Chinese and foreign properties and the raping of Chinese women. Since the Nipponese censors, according to their statement, felt that the report "was likely to harm the military," they refused to

grant permission for the transmission of the message. In this instance there also was a long delay —nearly 15 hours—after the filing of the message before the correspondent was notified that it could not be sent. The message was delivered to the local office of the Danish Great Northern Cable Company at 8 o'clock on the evening of Jan. 16. At about 10.45 o'clock the following morning Mr. Timperley was notified by the Japanese censorship office, also in the Cable Building, that his dispatch could not be sent—and then to his astonishment, Mr. Timperley was invited to pay a visit to the Japanese Military Headquarters in Hongkew—which he refused to do. Later the official Japanese *Domei* service issued a statement which flatly announced that "unless foreign correspondents agree to discuss with responsible Japanese Military officials the deletion of portions of their messages which the Japanese regard as objectionable, the 'system of open censorship' initiated by the Japanese authorities in the local cable and radio offices early in the present month cannot be enforced." The *Domei* statement also said that while the censors were civilians, the final decision on whether or not messages were considered objectionable, rested with the military authorities. The implication apparently was that if the correspondents refuse to discuss matters with the Japanese military authorities, they (the correspondents) will not be informed of what happens to their dispatches.

Of special interest in connection with the censorship question is the fact that while American and European correspondents were subject to the previous Chinese censorship, the Japanese *were not* because their naval authorities refused to permit the Chinese censors to enter the Japanese cable office located in the old Japanese Post Office on Seward Road. The Japanese are therefore enforcing regulations upon Americans and Europeans which they previously refused to submit to under the previous Chinese censorship. Also, it is understood that the Japanese censors were stationed in the cable building, a foreign owned property, without the official permission of the diplomatic authorities of the three countries whose nationals own and operate the cables, America, Britain and Denmark.

It was unfortunate that the correspondents permitted the discussions to become involved in methods of censorship, when they should have made a stand on the illegality of the Japanese action in stationing censors in the foreign cable offices. It is understood that Mr. Timperley is now making a diplomatic issue of the Japanese interference with his message. There is hope that Mr. Keen will take similar action through the American Consulate-General because it is practically certain that a strong protest based on this point would result in the withdrawal of the Japanese censors due to the illegality of their activities. Foreign diplomatic officials should realize that it may not be long before the Japanese censors begin interfering with commercial messages.

Considerable apprehension was aroused in foreign commercial community by an editorial in the *North-China Daily News*, referring to the censorship issue, which said, in effect, that since the foreigners had submitted to Chinese censorship, they (the foreigners) were now "estopped" from criticizing the Japanese for carrying on the same work. The argument in the *North-China Daily News* was, of course, fallacious because the Chinese administration here represented the recognized government of the country. Obviously the Japanese have not succeeded to that position and on numerous occasions have announced their intention not to interfere with third party interests. It would not be surprising if the Japanese, following perusal of the editorial in the British organ, should not immediately extend their censorship to include commercial messages!

That the Japanese system of censoring dispatches is the "worst in the world, even worse than censorship in Russia" was the unanimous opinion of the international corps of correspondents expressed at a recent Japanese press conference when the matter was under discussion. While Chinese censorship, on occasion, had been inefficient and unreasonable, practically all of the newspapermen agreed that in recent months following the appointment of Hollington K. Tong, a Chinese newspaperman as chief censor, there had been little trouble and correspondents could, by telephoning the chief censor, find out immediately about their messages.

While it apparently was unknown among the foreign correspondents here, the statement appeared in the Japanese newspapers, shortly after the sinking of the *U. S. S. Panay*, that the Japanese military authorities intended to take steps in future to prevent foreign correspondents stationed in China from sending reports to their papers regarded as harmful to the Japanese Army and Navy.

While the foreign correspondents are primarily affected by the censorship regulations now enforced by the Japanese military, there are rumors in circulation that a censorship over all mails is likely to be established shortly. On Jan. 11 there was a report in the *North-China Daily News* alleging that the Japanese warlords at Peiping and Tientsin had placed censors in the Chinese Post Offices in those cities and that private mail was being opened and detained. A foreign resident of Peiping wrote a letter to the *North China Daily News* warning his friends here against "expressing opinions that might get the recipient into trouble." Strangely enough, the *N. C. D. N.* in this instance also, instead of opposing the Japanese censorship in principle, editorially advised its readers to be careful about what they wrote to friends residing in occupied regions.

TRANSFERS, DISMISSALS, ARRESTS MARK CHINESE ARMY PURGE

IMPORTANT changes in the Chinese military command took place during the past week. The changes were effected in order to strengthen the country for protracted hostilities.

According to dispatches from Hankow, Gen. Feng Yu-hsiang was recalled and replaced by Gen. Chen Chien, as Commander-in-Chief on the Peiping—Hankow Railway Front. Gen. Chu Teh, Commander of the 8th Route Army (ex-reds), was reported to have succeeded General Yen Hsi-shan as Commander-in-Chief of Northern "Guerilla" Forces. Both Generals Feng and Yen were said to be in Hankow.

Gen. Chu Teh's succession to the northern command presages a complete reform in war tactics, it was claimed. The planned reform was said to envisage a recasting of China's resources and strength similar to practices long used by the former Communist troops. Gen. Feng's reported recall was another move in the interest of army reform, caused by recent reverses on the Ping-Han line.

Another significant change was the removal of Gen. Han Fu-chu from his posts as Chairman of Shantung and Commander of the 3rd Route Army. It was confirmed that Gen. Han had been arrested at Hsuchow by Gen. Li Tsung-jen on order from Chinese high command at Hankow. After being detained at Hsuchow for a few days, Gen. Han was escorted to Hankow and is said to be awaiting trial there on charges of dereliction of duty and inadequate resistance to Japanese invasion.

As ruler of Shantung, Gen. Han was the center of many rumors and intrigue from the beginning of the Sino-Japanese hostilities. He was accused of "sitting on the fence" and flirting with both the Central Government and the Japanese. Finally he decided to join the Government—after Nanking had sent some 30,000 Central Troops into Shantung. Gen. Han's fate is as yet unknown, but it is believed that severe disciplinary punishment may be meted out to him.

Following Gen. Han's removal, it was announced at Hankow that his two principal subordinates, Gen. Sun Tung-hsuan and Tsao Fu-lin have been appointed vice-commander of the 3rd Route Army and Field-Commander of the forces of the Tsining front. Gen. Shen Hung-lieh, Mayor of Tsingtao, has been made Chairman of Shantung Provincial Government.

A report in the *Social Daily News*, Jan. 15, stated Generals Wan Fu-lin and Liu To-chuen, two former Northeastern (Manchurian) commanders, were court-martialled at Hankow and subsequently executed. It was alleged that the unauthorized withdrawal of their troops without instructions from the high command was responsible for the collapse of Chinese defence on the Eastern Front (Shanghai). However, the reports were unconfirmed.

In view of the importance of the eastern section of the Lung-Hai Railway, Gen. Chiang Kai-shek is reported to have ordered War Minister Ho Ying-chin to go to Hsuchow and assist Gen. Li Tsung-jen in the defence of that strategic railway town.

Meanwhile, Gen. Chiang issued a circurlar order, forbidding unauthorized organization of guerilla units by irresponsible elements.

In order to rectify popular misconceptions concerning the so-called "Scorched Earth" policy, Wang Chang-wei issued a statement at Hankow "that the term means the nation is prepared for a fight to the finish. Even if the invaders should raze everything to the ground, we should continue resistance to the bitter end." There were reports that Mr. Wang was shortly proceeding to France on a governmental mission.

Stressing the importance of self-reliance, the *Ta Kung Pao* declared (Dec. 25), "Only by depending on ourselves can we stand firm, and check the enemy invasion. Japan may defeat China, but she cannot make us surrender. China may retreat to the most western provinces, but even under extremely difficult conditions she will fight on. We must note also that the international situation, as well as Japan's internal condition, will not allow the Japanese to carry on their present military campaign indefinitely. They will very soon try to terminate the war with China, but China will never terminate it. With China carrying on the war, the final result will be that Japan will be unable to continue."

In another article the journal voiced China's appreciation of Christian leaders—both Catholic and Protestant—for all they have done for the country in the period of stress and trouble. "But at the same time," the article emphasized, "we must strengthen our own national self-confidence, and be ever more courageous in struggling towards our goal of independence and freedom."

In addition to the foregoing, there were several developments of considerable significance reported in the newspapers. According to the *Lih Pao* "(Strength Daily)," Jan. 14, millions of Chinese workers are engaged in construction of two "Wan-Li-Kung-Lu (10,000-Li Highways, equivalent to 3,333 miles) in the Northwest and Southwest respectively in order to ensure uninterrupted flow of military military supplies from abroad. The former highway will link Chungking with Soviet Russia, while the latter will connect Yunnan with Burma. The Burma road is scheduled to be completed by the end of March, according to the report.

A *Domei* report from Hongkong Jan. 12 alleged that half-a-million tons of munitions have recently been sent to Canton over the newly-built Kowloon-Canton motor highway. Meanwhile, 3,000 trucks of American and German makes are being assembled in Hongkong for delivery to the Chinese authorities.

Another *Domei* dispatch reported that China National Aviation Corporation would shortly start a direct service between Hongkong and Chungking, Szechuen, seat of the National Government.

H.C.H.

Alleged Tang Shao-yi Would Form "Rightist" Government

The *Shanghai Evening Post* published a report on Wednesday of this week claiming that a movement had been started to form a "rightist" Kuomintang Government in Nanking that would be headed by the former Premier and veteran Kuomintang leader, Tang Shao-yi, now in retirement at Shanghai. Mr. Tang is 78 years of age and has been confined to his bed for several months, hence the report was thought to have originated in Japanese propaganda circles. It also was claimed that a pro-Japanese politician named Chen Chung-fu had made a secret trip to Tokyo, taking along peace proposals on behalf of the "new government," to the following effect:

1. Recognition of "Manchukuo" by the new government.
2. Enforcement of the Sino-Japanese economic cooperation.
3. Withdrawal of Japanese troops from areas where their presence is unnecessary.
4. Abolition of the "provisional government" in Peiping.
5. That the "blue-sky-white-sun-red-land" flag continue to be the Chinese national emblem.
6. That all the treaties entered by the National Government under General Chiang with other powers shall continue to be valid and that the new government shall have her own rights in diplomatic relations with other powers.
7. That the Kuomintang and its Central Kuomintang Headquarters shall be allowed to exist and
8. That the new government shall be independent in her financial administrations.

What to Do About Japanese Soldiers Who Become Drunk and Disorderly

WHEN President Roosevelt sent his protest to Japan about the sinking of the U. S. S. Panay he insisted that the protest be conveyed directly to His Imperial Majesty, Hirohito, Emperor of Japan. Roosevelt's action, entirely unexpected, created a major sensation in Tokyo political circles and probably was largely responsible for the action of the Japanese Government in making responsible head to their Government, remains to be seen. Koki Hirota, foreign Minister, refused to discuss the subject with foreign correspondents at a press conference at the Foreign Office a few days following the incident. It was known, however, that President Roosevelt's memorandum was conveyed to the Emperor and that Japan's early apologies and offers to indemnity both the U.S.

HONGKEW HUMANITARIAN—HE IMITATED THE POSTER!

The poster on the right was pasted on vacant walls in the Hongkew and Yangtszepoo districts by the Japanese military authorities. The inscription on the poster reads, "Peace and Friendship are immediately realized wherever Japanese soldiers are established." Another translation is "Peace reigns wherever Japanese soldiers go." The photograph on the left, showing a Japanese soldier and two Chinese children, was snapped by a foreign newspaperman. The pose appears to be in imitation of the poster.

early and more or less abject apologies for the attacks on the American gunboat.

President Roosevelt's purpose in insisting that his communication be conveyed directly to Emperor Hirohito, aside from his natural desire as Chief Executive of the American Government to communicate with the head of the state in Japan, was to help the authorities of Japan fix responsibility for the actions of their Imperial forces.

What the final effect in Japanese politics will be, of this attempt on the part of the American president to help the Japanese people develop a Government and the victims of the bombing were largely a result of Roosevelt's method of handling the incident. For the first time since the beginning of the crisis the Japanese appeared to be seriously disturbed at the drift of affairs. The Japanese naval authorities immediately recalled Rear-Admiral Teizo Mitsunami, chief of aerial operations and while the Japanese army authorities still deny that their men deliberately fired on the sinking Panay, there have been reports that Col. Hashimoto who commanded the Japanese troops on the Wuhu sector, was also recalled from that

position; although there were later reports that he participated in the capture of Hangchow, capital of Chekiang province. The fact that Hashimoto was involved in the February-1936 army rebellion in Tokyo and only recently was restored to office and entrusted with a command on the China front, tended to corroborate allegations that the attacks on American and British shipping on the Yangtsze were the result of radicalist actions by irresponsible groups of younger officers in the Japanese forces. It was confirmed that a Col. Kingoro Hashimoto had been a member of a radical Buddhist organization devoted to the program of opposing western aggression in the Orient.

The foregoing paragraphs will serve as introduction to further reports of activities of a lawless and criminal nature charged against Japanese soldiers which tend to confirm a statement which appeared in the *New York Times* at the time of the Panay bombing that it would be useless to attempt to exact guarantees from the Japanese Government against such activities "because such guarantees could not be worth the paper they were written on." The *New York Herald-Tribune* said, "Why do we go to the expense of maintaining an embassy (in Tokyo) to listen to the heartfelt laments of a government that can do nothing with its armed forces but weep over these breaches of the proprieties?"

Incident No. 1.—Japanese soldiers or Japanese wearing uniforms similar to those worn by soldiers, created serious disburbances in two Chinese-owned cabarets in the International Settlement. In one place, the Yangtsze Ballroom, the soldiers threatened the proprietor with their revolvers and compelled him to accept banknotes which are no longer legal tender in China. Recently the Settlement authorities, upon pressure of the Japanese, issued a notice compelling all foreigners and Chinese to declare guns in their possession and have them registered with the police. But no Japanese subject apprently was bound by this notice.

In the other incident—Paramount Cafe—eight Japanese, some of them wearing uniforms resembling those of the army, entered the cafe and after purchasing tickets began dancing with the hostesses (taxi dancers) in an exaggerated and vulgar manner. Finally when practically everyone, including a number of foreigners, left the dance-floor in disgust, the Japanese became boisterous and threatened a fight. The proprietor immediately called the police, one of the officers responding being a Japanese, but the drunken Japanese soldiers refused to pay any attention to the Japanese or British policeman and it became necessary for the proprietor of the cafe to close up and send his patrons home in order to avoid an incident.

In neither of these cases was any Japanese arrested, the police in both cases confessing their inability to arrest Japanese subjects "due to fear of creating incidents." Thus the Japanese are free to perpetrate any kind of "hooliganism" in the Settlement but the least incident affecting the Japanese is followed by drastic demands on the part of the Japanese military authorities against the Settlement.

Incident No. 2.—According to a report in the British paper, *North China Daily News*, Sunday, January 16, a Japanese soldier in the western or Hungjao district went on a drunken spree and being unable to obtain the women he desired, shot and killed three old Chinese women, shot and wounded another old woman and either shot or bayoneted four men.

In another case a Chinese employe of a British firm was shot and badly wounded when he was unable to give two drunken Japanese soldiers any money. Both incidents, which occurred in the vicinity of the Hungjao Golf Club, were corroberated by Britons who were in the district at the time.

There were several other incidents reported in the same area, including the seizure of motor trucks from foreigners.

Incident No. 3.—Involved happenings at Nanking, Wuhu, Hangchow and elswhere, following Japanese occupation, when drunken Japanese soldiers staged indescribable orgies resulting in the wholesale killing and robbing of Chinese civilians, looting of foreign properties and the raping of Chinese women, hundreds of cases of this kind taking place on foreign hospital and school property where the Chinese had fled for protection against the Japanese troops. In Nanking there were repeated cases of Japanese lootings of American properties while at both Nanking and Wuhu there were cases of the deliberate violation of American flags on American property and in one case a drunken Japanese soldier tore from the gate of an American mission compound an official notice issued by the American Embassy.

The Japanese Army and Navy ministries were always outside the constitution and not subject to control by the civil authorities as in other countries, but this situation has become more critical since the Japanese intervention in Manchuria in 1931 because the Army General Staff has become more and more dominant in affairs of state. Since the Army and Navy Ministers have direct access to the Throne they are in a position to dictate high state policy by always claiming the action was being taken in the name of the Emperor. Even the cadets and young army officers who staged the February-1926 rebellion in Tokyo, claimed they were acting in the name of the Emperor. There was a strong move in 1930-1931 to amend the constitution so as to make the Army and Navy amenable to the civil authorities as represented by the Cabinet and Parliament, but the General Staff headed this off by precipitating the so-called Mukden Incident.

Many persons believe that an outright Army dictatorship would be preferable to the present state of affairs where no one is in a position of responsibility. The helpless situation of the Premier, Prince Konoye, is apparent to all and while members of the Diet formerly were accustomed to protest at actions of the fighting services, this no longer is the case. But this does not answer the vitally important question of what to do about drunken and disorderly Japanese soldiers who apparently cannot be controlled by their officers. For several days around New Year and still observable to a considerable extent, practically every Japanese soldier seen on the streets of Hongkew or Yangtszepoo was drunk. This was not true of Japanese sailors, but it was true of practically all soldiers and led to the general impression among foreigners that the Japanese soldiers are not the well disciplined men that most persons thought them to be, but for some reason have become brutalized and rebellious and, in altogether too many cases, a menace to civilians, irrespective of nationality who may happen to reside in areas under Japanese military overlordship.

As the Chinese populace is helpless, it has no recourse except to clear out. But the foreigners are not helpless. They might follow the precedent which President Roosevelt found so successful.

First Half-Year of the Sino-Japanese Struggle

BY HUBERT S. LIANG

FOR half a year Japan's undeclared war on China has been raging. Let's take a preliminary inventory of the struggle covering this period and estimate the results from the standpoints of the two contestants:

Japan has militarily occupied several of China's most important cities, including Shanghai and Nanking. The Japanese at home and abroad have not been slow to magnify these occupations as great "victories." Japanese soldiers, apparently to compensate for their sacrifices, have been permitted by the Japanese command to celebrate by indulging in orgies that have been described by neutral observers as nothing short of beastly in many of the cities which have been occupied. Women have been outraged, civilians murdered, and their properties looted or destroyed. This has been the only possible gain for the rank and file of the Japanese command in the field. Some officers have been promoted and others who were jobless before have been given important positions. For the rest the struggle so far has been a loss for Japan and the Japanese people.

Japanese casualties, killed and wounded have been estimated up to 250,000 in North and East China. As for munitions it has been reported that between 30 and 40 per cent of Japan's war reserves have been used up. In terms of money it has been estimated that Japan's daily expenditures amount to no less than Yen 20,000,000 (equivalent to $6,000,000 U.S. Currency). And this does not take into consideration Japanese property in China which has been damaged or destroyed. Nor does it take into account the loss of Japanese trade in China and elsewhere as a result of the war. That Japan must include in her budget for 1938 the sum of Yen 4,000,000,000 to meet the combined expenditures of the Army and Navy in connection with the Sino-Japanese hostilities gives some idea of the financial strain which, sooner or later, will surely result in total collapse.

Nippon's international status has been greatly weakened by this war. Great Britain, her former ally is now, according to recent Japanese semi-official pronouncements, her potential enemy. As for other powers their amity for Japan certainly has not been increased by such incidents as the bombing of the *U.S.S. Panay*, the burning of the Soviet Embassy in Nanking following Japanese occupation of that city, firings on British warcraft and cargo vessels, and Japanese naval manoeuvers near Hainan. Even Japan's Fascist allies, Germany and Italy, have grown apprehensive about Japan's becoming so weakened by her war with China that she may not be of much use to them when the expected next world war comes. Finally, as the *London Times* aptly put it, Japan has been eminently successful in increasing and deepening the hatred of the 450 million people of China, a hatred which will take many generations to eradicate.

China's losses in the war have been tremendous in both human lives and property, civilian and military. Property losses in terms of money run into billions of dollars. But China had no choice as the war was forced on her. She had to resist. But her losses have been offset by distinct gains. Despite temporary occupation of considerable territory by an alien army China had perplexed her enemy in that she did not capitulate without a struggle—which was what Japan thought would happen. What's more the struggle has only begun. China's will to resist has actually been stiffened. A midway capitulation is now impossible. Thus Japan's manoeuvers for a "dictated peace" have not succeeded. But the situation is now out of Japan's control and the belief prevails that she is sinking deeper and deeper into a morass from which she cannot extricate herself. From all indications the seeming successes of the Japanese military may ultimately spell their doom.

Undoubtedly the most important gain for China has been her increasing political solidarity. While the Sian incident resulted in the reconciliation of elements previously antagonistic, there were still factors working for civil war, not the least potent of these factors being Japanese intrigue. Now the ground has been cut from under those elements which openly or otherwise connived with the Japanese whose intrigue and machanisations always were a cause of internal dissention. It is a foregone conclusion that so long as the National Government continues resistance political unity now prevailing will be further solidified. So long as the war of resistance continues it is inconceivable that any group, faction or party would dare to oppose the Central Government.

Another gain for China is the tendency of industries and population to move into the interior of the country. China's economy has been, for a long time, concentrated in a few coastal centers at the expense of the hinderland. The result has been an unbalanced and abnormal concentration of wealth in a few seaboard cities—evidenced in the creation of a class of easy-living and luxury-loving people out of touth with Chinese realities. Wealth, ease and luxury have come to be objectives of too many Chinese youths who have flocked into the metropolitan cities. Thus the hinderland has been impoverished not only in physical wealth but in human materials as well. The war is beginning to change all this. Excepting a small minority, most sincerely patriotic elements have moved back to their native towns and villages where they have been compelled to rejoin the masses from which they sprang, but from which, through circumstances they had been removed.

From the standpoint of national defense many industries will now have to be developed in the hinderland away from the foreign controlled and in many cases enemy-dominated coast cities. The mass migration, involving allegedly a fourth of China's total population and a removal of industries under adverse war conditions creates difficulties and problems taxing human ingenuity and endurance to the utmost. But the start had to be made if China was to survive as a free and independent nation. By transferring her political and economic base into the interior, China has followed a course which will undoubtedly lead her to national freedom and independence.

Internationally China's position has been vastly improved by the war. Formerly China was regarded with contempt for her non-resistance against enemy aggression. But now that China has resisted and is continuing to resist so heroically, the world's sympathy, goodwill and respect, are now definitely on China's side. This is manifested in the spontaneous boycotts of Japanese goods which are springing up all over the world, but particularly in those democratic nations where the peoples have an opportunity to express themselves. What's more the nature of the world situation is such that when China continues to resist aggression, assistance from friendly powers from the standpoint of their own interests if for no other reasons, is bound to be forthcoming. This does not mean that China is expecting foreign countries to fight her battles but it does mean that the international situation has been so fundamentally affected by the China-Japan War that the various powers for their own protection cannot remain aloof; witness the vast armament programs

now in progress all over the world.

Such then is the outlook and prospects facing China after six months of her life-and-death struggle against a mortal enemy—militarist Japan. Instead of depression and pessimism China is pressing forward with grim determination and complete confidence that out of her present travail a free, independent and truly progressive nation will be born!

Japanese Policy Statement and the Army Program in North China

THE fact that the Germans, who are allies of Japan, have become apprehensive regarding the drift of events in the Far East was probably the most significant reaction abroad to Japan's policy pronouncment pertaining to her relations with China. Reports from Berlin stated that the German press in the course of comment on the declaration of the Japanese Imperial Conference had "cautiously but clearly" warned Japan on the dangers of a to deep penetration into China. The *Frankforter veitung* said "no Japanese who realizes that his country is surrounded by powerful and envious neighbors can lightheartedly contemplate the prospect of Japan being dragged too deeply into China. What would victory mean if the vanquished country suffers a Communist revolution? Another paper, the *Berliner Boersen Zeitung*, complained of the decrease of trade between Germany and Manchukuo following the establishment of government control over imports which compelled many German firms established in Manchukuo to close their offices.

American reaction was indicated in a brief dispatch by the *United Press*, from Washington, which quoted diplomatic officials in the U.S. capital as declaring that the decision of the Japanese Imperial Conference to sever diplomatic relations with China and withdraw recognition of the National Government only constituted a "hollow gesture" in view of the months of fighting between the two countries which had taken place.

The French view was that General Chiang Kai-shek would not be daunted by the Japanese declaration. Great doubt was expressed about the possibility of forming a Peiping provisional government that would find real support among the leading classes in China.

But of greatest significance was a *Reuter* report from New York stating that Japanese industrial interests were trying to establish a credit of U.S.$50,000,000 in the United States for the purchase of machinery. American officials of the U.S. section of the International Chamber of Commerce stated that if the credit was arranged, it would be used for the purchase of equipment for the Manchurian Heavy Industries Developments Company, organized on November 1st last year for the purpose of taking over the heavy industries in Manchukuo. It was regarded as extremely doubtful that American business men and bankers would be willing to take a chance on such a large loan in Manchukuo even with the guarantee of the Japanese government. It was also doubted that the State Department would approve a loan to a country which has not been accorded diplomatic recognition and where warfare on a major scale might break out at any time.

YELLOW RIVER BRIDGE WRECKED—JAPANESE BUILD PONTOON

The Japanese Army finally built a pontoon bridge across the Yellow River at Tsinan, a tremendous job made necessary owing to the Chinese destruction of the iron bridge belonging to the Tientsin-Pukow Railway, prior to the evacuation of Gen. Han Fu-chu's troops. This famous iron bridge, often damaged in civil wars, but never seriously, has now been completely wrecked.

The last serious attempt of Japanese interests to borrow money on Manchuria collateral was in 1927 when the New York firm of J. P. Morgan ad Company tried to make a loan of Gold $50,000,000 to the South Manchurian Railway. The refusal of the State Department to approve the loan was embarrassing to the New York banking house because its agents had already spent considerable time and money investigating the Manchurian situation and according to reports in Shanghai they had already published the prospedctus of the loan.

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While most observers were struck by the seeming mildness and vagueness of the Tokyo declaration, which

was expected to include a declaration of war on the Nanking government, they were, on the other hand, considerably puzzled at Japan's failure to announce recognition of the regime which the Japanese army has set up at Peiping; particularly in view of the recent optimistic statements which have been issued about the Peiping administration.

But aside from the "nine old men" whom the Japanese military got together and photographed, there actually isn't much more to the government than the photograph. If the situation was not so serious, most Chinese would derive amusement from reports circulated by *Domei* trying to create the impression of wide spread support of the new regime. For example, *Domei* reported that 20,000 Chinese fishermen at Dairen had passed a resolution supporting the Peiping administration; that several hundred Chinese merchants in Formosa had pledged their support to Peiping instead of the National Government at Hankow; that Manchukuo probably would recognize the new government; that the Chinese consuls in Korea had switched allegience to the new regime (later denied); and finally that Chinese residents of Yokohama were on the point of recognizing the new government, but were dissuaded from taking action by the Chinese consul-general.

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Where is Japan to get the money for carrying out her program in North China? What banker would lend Japan the millions needed for investment in this region in the face of what happened in Shantung? One of the first statements issued by the Japanese authorities after the recent military occupation of Tsingtao was that Japanese losses amounted to more than a billion yen. While this figure probably was exaggerated, some idea of the real situation was conveyed by a statement of an official of the Japanese Cotton Mill Association, that Yen 200,000,000 would be required to re-equip Japanese cotton mills in the Kiaochou Bay area alone. In addition to these heavy losses, it was claimed that practically every other industrial establishment in the province containing Japanese capital, including several important coal mines, had also been destroyed. Hence, the actual losses probably amounted to a half billion yen. In the face of this situation, it was improbable that any Japanese capitalist, even under military compulsion, would invest any more money on the continent. That a serious effort is being made to induce Japanese capitalists to invest in North China enterprises was indicated by inspired articles about the vast wealth of these regions which are now appearing in most Japanese publications. Lieutenant-Colonel Sumihisa Ikeda of the Planning Board of the Cabinet admitted that unless Japan extended liberal assistance to North China, the development of enormous wealth in that region would hardly be possible.

China defends the Lung-Hai—An artillery unit in the vicinity of Kweiteh, eastern Honan where major military activities are expected shortly.

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Failure of the Japanese to outline their plans for development of Peiping has received various interpretations, one that the Japanese are holding it in obeyance pending receipt of information as to what the Chinese authorities at Hankow intend to do about Japan's peace proposals. But it seems more logical to conclude that Japan's failure to take definite action in North China, is due to the fact that the Japanese themselves have not been able to make up their minds on the subject. W. Lewisohn, correspondent for the *North-China Daily News* in Peiping, said there had been considerable dissention in the Japanese camp as to what they intended to do. Major-General Kita, former Military Attache but now head of the Japanese Military Mission in Peiping, was very vague about Japan's program in the north, in the course of a recent statement at a conference with newspaper men in that city. He announced that numerous so-called peace preservation commissions which had been established in various cities in North China following their occupation by the Japanese army, had repeatedly telegraphed requests that a central government should be formed. This desire for a central government according to General Kita, had become more acute following the fall of Nanking, but for some reason the Japanese had not taken any further steps toward actual creation of such a government. Mr. Lewisohn suggested one possible reason for the delay—that the new government was in financial difficulties, but General Kita declared that the new government had "plenty of money" because it could draw $120,000,000 annually from the Tientsin Customs revenue and the Salt Gabelle. This, in his opinion,

Anti-aircraft defense in the vicinity of Hsuchow, northern Kiangsu, where major military activities are pending.

was more than enough because the Japanese had no intention of permitting the new government to spend money on useless soldiery. At most there would only be a few thousand peace preservation men so that the rest of the money could be spent solely for the good of the people. The new government would of course, respect its loan obligations, Gen. Kita said. He also had considerable to say about the creation of a New Peoples' Party, a so-called *Hsin Min Hui*, which would replace the Kuomintang. He then made the startling statement that it was necessary to gó back to Confucian times to find a really satisfactory system for the rule of the Chinese people. He said the Chinese people required neither a monarchial or republican form of government because the Chinese were peculiar to themselves and were impatient of tiresome regulations. He declared that there would be practically no regulations in future. A quite remarkable statement in view of Japanese administrative methods in Korea and Manchukuo or even in Japan where the lives of the people are regulated completely from birth to death.

Mr. Lewisohn said that while the impression prevails one cannot put the clock back, the Japanese actually were accomplishing that feat in Peiping. They have restored the old five colored flag which the Republic used up to the coming into power of the Nationalists from the South. In the old flag, red stood for the Chinese, yellow for the Manchus, blue for the Mongols white for Mohammedans and black for the tribesmen. The five-barred flag was adopted as a compromise when the Republic was created at Nanking in 1911. Dr. Sun Yat Sen and his associates in the Kuomintang presented a new flag as emblem of the Republic to replace the old dragon flag of the Empire, But Yuan Shih Kai refused to accept the new flag so it was given to the Chinese Navy which used the flag with slight modifications up to 1927 when it became the flag of the entire country replacing the five barred flag.

Aside from the fact that the Japanese have not yet been able to find anyone to head the new government who would receive the support of the people, there have been other complications of a much more serious consequence. In the first place, the program for a five provinces government in North China was complicated by later developments, the most important being the occupation of Nanking which many Japanese feel has opened the way for a completely new government to replace the government at Hankow which the Japanese now insist is "purely a local affair." But another complication resulted from the creation of the Inner-Mongolian Government, under Prince Teh Wang, which

Chinese farmers and local militiamen help the Chinese army in constructing defenses in the vicinity of Hsuchow, important city at the junction of the Lung-Hai and Tsin-Pu Railways.

grabbed off two provinces which the Japanese Army had planned to include in the Five-Province Alliance in the North. These were Chahar and Suiyuan, both of which were regarded as vital to the North China set-up, but since the Inner-Mongolian Government was created with the the help of troops from Manchukuo, they naturally did not want to see these province placed under a different branch of the Japanese army.

Another and even more potent source of trouble in the North is the precarious hold of the Japanese military on that region. Neutral military observers were responsible for the statement that the Japanese only hold the railway lines and larger towns; that the country, particularly Hopei Province is swarming with disbanded soldiers, bandits and irregulars, which makes it unsafe for anyone to venture off the railroads or outside the limits of any city. So-called Red forces had penetrated through the mountain country west of the Peiping Hankow Railway from where they made raids on the villages in the plains carrying off all young men between seventeen and twenty-five to serve in the army. This has caused a great exodus from the villages on the plains between the hills and the railroad. These irregulars also occasionaly raid isolated Japanese posts and lines of communications doing great damage. In the northern half of Shansi, which is all of that province which the Japanese actually do hold, the military hold is also precarious and is confined to the larger towns and the Chen-Tai Railway. In the districts north and east of Taiyuan-fu, the Reds hold undisputed sway ruling from their headquarters in the famous monastery of Wutaishan.

Building defenses under difficult conditions along the Lung-Hai and Yellow River, where zero weather makes campaigning difficult.

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From the standpoint of Inner Mongolia, immensely important to any new government in Peiping, observers state that Japan's control there is also precarious and is held largely by Mongolian cavalry with a stiffening of

Manchukuo troops. Recently there have been unconfirmed reports that Pailingmiao, located to the northwest of Kweihwa on the border between Inner and Outer Mongolia, was occupied by Outer-Mongolian troops. Formerly Pailingmiao was headquarters of Prince Teh Wang. According to Mr. Lewisohn's report, Japan's scheme to cut off China from direct contact with the Soviet Union has not been entirely successful because Japanese control does not extend one mile beyond Paotow, terminus of the Peiping-Suiyuan Railway. He stated that the town was subject to constant alarms; that the gates of the city were closed for many days at a time. Siratsi, another town south of the railroad between Kweihwa and Paotow, has also been re-occupied by Red forces. The town of Wuyuan, west of Paotow and north of the great bend of the Yellow River, is held by Ma Chung-ying with a force of about 10,000 Mohammedams. Ma was formerly in rebellion against the authorities of Sinkiang Province but after living as a refugee in Russia, he now claims to be cooperating with the Chinese government against the Japanese. Another well known Chinese leader in that area is General Ma Cha Chan of North Manchurian fame. He has organized a cavalry force and holds the Ordos country south of the Yellow River bend. The presence of these semi-independent Chinese commanders has had the effect of preventing the Mongolian Princes of the Ordos territory and Western Mongolia from joining the recently established Mongolian Republic. Lewisohn stated that except for a few ambitious princes, the bulk of Mongol opinion is openly hostile to the Japanese. While a considerable group of Inner-Mongolian chieftains, led by Prince Teh Wang was willing to avail themselves of Japanese help to obtain independence from China, they obviously would not remain loyal to Japan any longer than was necessary. This naturally has the effect of creating a situation favorable to Soviet Russian activities in the event of military activities on the Mongolian front.

The *Asahi Shimbun*, organ of the Japanese war party published an "explanation" of Prince Konoye's interview pertaining to Japan's future intentions with respect to the creation and recognition of some government in China. It seems that the Premier was indefinite about the creation of a new government in Peiping "during the first half of the year," but it was Japan's intention to accelerate an organization which might go through a process similar to that of Manchukuo, "but would be different when it was established." In short Prince Konoye did not believe that the Provisional Government at Peiping would become the government of China, "but it would become the mainstay of the new Chinese regimes which would be brought into existence in various parts of the country.

Thus do we have vagueness added to vagueness, leading to the impression that one group in Japan would like to hold the threat of a new Peking Government over the heads of the Chinese Nationalists and thus force them to agree to Japan's program, while another group in Japan—the military group—probably favors a program of breaking China up into small units which would prevent the formation of a strong central *government* for many years to come, if ever. A perusal of all of the statements of Japanese spokesmen inevitably leads to the conclusion that the type of China which the Japanese General Staff envisages is a China of small principalities, each dominated by a Japanese garrison, but without any central government to speak of.

Ministry of Finance Grants $300,000 for Refugee Relief

In compliance with the request of the Shanghai International Committee of the Chinese Red Cross Society, the Ministry of Finance at Hankow Jan. 5 appropriated a sum of $300,000 for the relief of war refugees in Shanghai. Previously, the Ministry had appropriated to the Committee $800,000 in bonds and $200,000 in cash for war relief. The fund was however found inadequate, and Tien Po-lieh, a representative of the Committee, was dispatched to Hankow to request the Ministry to make further appropriations. The request was immediately granted, and $300,000 has already been remitted to Shanghai.

Four Leading Chinese Banks Give $50,000 to Red Cross

On behalf of four leading banks in Shanghai, the Chinese Bankers' Association has turned over a donation of $50,000 to the Shanghai International Red Cross. Of this amount, $20,000 is earmarked for relief work in Nanking. The four banks which made the donation are as follows: Central Bank of China, $17,500; Bank of China, $17,500; Bank of Communications, $10,000 and the Farmers' Bank, $5,000.

Bureau for the Care of Wounded Soldiers, Established in Nanking

To unify welfare work for the wounded who are receiving medical treatment in Kiangsi province, a Bureau for the care and control of wounded officers and soldiers has been specially established by the Kiangsi Provincial Government at Nanchang. Lieut.-General Liao Shih-chiao, Director of the Provincial Peace Preservation Bureau, has been appointed concurrently Director of the new Bureau with Messrs. Kung Hsueh-sui and Yang Pu-ping as Vice-Directors.

Japanese Practically Forbid British Ships to Ascend Yangtsze River

The Diplomatic Correspondent of the London *Times* Jan. 2 stated that the Senior British Naval Officer in Shanghai had recently been notified by the Japanese Naval Staff that Japan could no longer permit the passage of non-Japanese merchantmen up the Yangtse. The alleged dangers to shipping resulting from mines laid by the Chinese, and from military operations were given as the resona for this action.

"Advice" tendered by Japanese naval authorities in Shanghai to foreign shipping concern to refrain from operating on the Yangtsze was "designed to modify the danger of mines, which have already damaged some Japanese vessels," Tatsuo Kawai, Director of the Gaimusho's Information Bureau, told foreign correspondents, Tokyo, Jan. 15. Although the Japanese authorities are "endeavoring hard" to remove the mines, the latter are still obstructing free passage on the river, he said.

British objections to Japanese restrictions on navigation of the Yangtsze "after six months or silence following the blocking of the river by the Chinese" were discounted by a spokesman of the Japanese Embassy. The river, he emphasized, was not closed to non-Japanese shipping as reported in a London dispatch. The report, he said, was "diametrically opposed" to the contents of a Japanese note handed to N. Aall, Senior Consul in Shanghai, last week by Suemasa Okamoto, Japanese Consul-General. The blocking of the Yangtsze by the Chinese, started on Aug. 11, formed a violation of the Yangtsze regulations of 1899 guaranteeing free passage of the river. "To my knowledge, there has been no protest made to the Chinese Government regarding this interference with shipping," the spokesman said.

"Since the channel forced through the booms cannot be opened for free navigation without causing, under the present circumstances, no small obstacle to the military operations of the Japanese Forces, any vessel, whether it be government-owned or private-owned, other than those of Japanese nationality, which has the desire of passing through the channel, is hereby cordially requested to get in touch with the Japanese Navy and secure beforehand their understanding for its prospective navigation through the booms, the spokesman said.

Chinese Mobile Units Break Through Japanese Cordon in Pootung Area

Chinese mobile units in the Pootung district, recently reinforced with a portion of the 56th Division, broke through the Japanese cordon early this week. The ensuing engagements between them and the Japanese were so close to Shanghai that the firing of machine-guns was audible here. The incidence of heavy rains was of material assistance to the Chinese in warding off Japanese attempts to drive them away.

Reconstruction of West China Speeded Up by War

BY HIN WONG

IN Chungking, Szechuen, the wartime capital of China, both the people and the government have passed the 1938 New Year holidays without any pessimism; and in a way, cheerfully, while realizing that this would be the hardest and the darkest in physical and material sufferings, it would also be most glorious and brightest in history and the future. Everybody here admits that China is being seriously impeded in her program of reconstruction but denies that she is being defeated at all. Spiritually, China and her people have never been so united as at present, according to official speeches and press comments as indicated in formal gatherings and special holiday editions. China has made it known to Japan and the World that she is to be no longer subjected to bullying by any foreign power. In the last few months of struggle, it has been shown that only lack of armaments has prevented the Chinese Army from halting the invasion of the enemy. In the last quarter of the past year, imports into China may have been cut low, but exports abroad have gone on as usual, and for first time in many years, the excess of exports over imports has been from five to 33 million dollars a month.

China during this present year is to put her education, communications, and economic affairs on a wartime and emergency basis; and the first act of the National Government in Chungking on New Year Day was to announce Chen Li-fu as new minister of education; Chang Kia-ngau, minister of communications; and Wong Wen-hao, minister of economic affairs. The Ministry of Communications will take in the management of all Chinese railways, while the Ministry of Economic Affairs, that of all activities formerly belonging to the Ministry of Industries.

A member of the Yunnan Provincial Government is now in Chungking consulting with national and local leaders on the possibility of making the bordering province a coming industrial centre, and the authorities of Szechuen and Yunnan, with technical advice and financial support from the Chuan-Chien Railway Company, have decided to early map out the projected Chuen-Tien, or Szechuen-Yunnan Railway, an enterprise which would connect west China with the Indo-China territory, an important seaport of which is Haiphong. The then Ministry of Railways has been having a business office in Chungking for sometime, and it is expected that Chang Kia-ngau (until his new appointment as minister of communications, minister of railways,) will pay his first attention to this project upon assuming his new office, which is but a part of the old.

The Szechuen Committee of the China International Famine Relief Commission with offices at Chungking has decided on a plan of erecting a number of large irrigation ditches so as to enable some districts to have wheat crops in summer also so as to have two crops instead of one a year, a very important step at a time when foodstuffs have to be greatly increased. A donation recently sent by Chinese and other friends in Hawaii, a United States territory, will be devoted to the experiment which, it is confidently hoped, will prove valuable and successful. In the meantime, the Szechuen Government has also ordered that its Conservancy Commission be strengthened with additional experts and engineers.

Dr. Wong Wen-hao, new minister of economic affairs, who is now in Chungking, will labor on a program intended for Szechuen, Yunnan, and Kweichow.

Beginning here, New Year Day, Chungking, which has the honor to be the temporary capital of China pending the restoration of Nanking as the seat of the National Government of the Republic of China, will see the re-opening of the Supreme Court, the highest judicial body of the Nation. The Hon. Chiu Yi-tang, Chief Justice, with a staff of more than 40, arrived here the day before New Year Eve. With the presence of the Supreme Court in Szechuen, the several judicial organizations of this west China province will be further improved so as to provide for a model for others under present circumstances; during which military tribunals and law reign over the civil authorities in a number of places.

New Year in Chungking also sees the opening here of the local branches of a number of financial institutions, including the Bank of Communications, the Shanghai Commercial & Savings Bank, the Chekiang Industrial Bank, and members of the "big four" joint savings banks, the Kincheng, the Continental, the Yien Yih, and China & Southern Bank.

Szechuen people are to be much benefitted by the location in Chungking of these strong Shanghai and Tientsin banks; and it is understood that one of the first helps to be given to this community is a loan of $10,000,000 to be granted by these institutions to the rural co-operative societies in this part of China.

One of the wartime measures of the Chinese National Government is to strengthen and increase local agricultural production, in addition to the improvement and extension of communications, such as highway and railroad constructions.

By the end of December last, the members of the Chungking Exchange Banks numbered the Bank of China, the China Farmers Bank, the Provincial Bank of Szechuen, the Young Brothers, the Mei Feng Bank, the People's Commercial Bank of Szechuen and Sikang, the Szechuen Salt Bank, the City Bank of Chungking, the Szechuen Reconstruction Bank, the Kiang Hai Bank, and the Kincheng Bank, Chungking Branch. In addition to the foregoing, there were still in existence more than 25 native banks.

The Department of Agriculture of the Ministry of Industries which now has a party surveying the resources of Kansu has ordered the group to Szechuen also, according to reports from Chengtu; and the surveyors will also look into the possibility of developing the mineral oils of this vast western province under the expert advice of an American engineer.

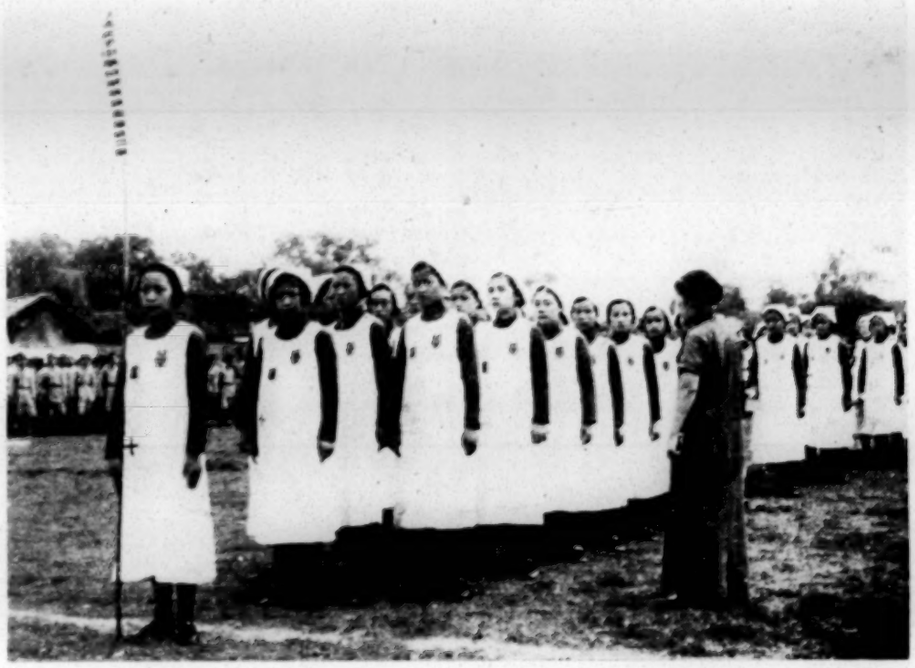
On account of lack of gasoline and fuel oil supply from abroad, the Chungking military authorities have ordered that, beginning New Year, all private hire cars had to suspend business, while the public bus service would have to operate on charcoal as motive power. Since the beginning of the war, sale of mineral oil products by foreign agencies has been subject to government control and beginning from New Year, all mineral oils in private stock will have to be reported to the Government.

Lately Chungking's garages have been much over-crowded, as the evacuation of Nanking by the National Government had brought with it not a few cars belonging to government offices and officials.

The New Year, according to the calendar of the Chinese Republic, in general with most of the countries in the West, has been widely observed in Chungking, the wartime capital of the National Government presided over by Lin Sen. As in ancient days, many firms and households have decorated their

(*Continued on page 222*)

TRAINING FOR MILITARY SERVICE



Students in the Chungking girls middle school being trained for service in the Chinese Red Cross.

German-China Association Pays High Tribute to Achievements of Gen. Chiang Kai-shek

The German China Association, the China Studiengesellschaft, entertained the German Consul-General in Canton, Dr. Altenburg, at dinner in Berlin Jan. 12, on the occasion of his forthcoming departure to resume his duties.

In wishing a pleasant journey to Dr. Altenburg, on the eve of his sailing for the Far East, Dr. Hans Schippel, deputy chairman of the Association, recalled the extraordinary achievements of the Central Government under General Chiang Kai-shek and stressed the great things that had been accomplished in China during the past nine years, especially in the economic rehabilitation, the most important of which had been the currency reform in 1935. The result of this reform had been that, to the astonishment of the whole world and after six months of war, the Chinese Dollar had maintained its pre-war level.

The speaker then referred to the immense economic losses suffered by the Chinese nation in consequence of the war and emphasized the regret felt in German economic circles that so much which they had contributed to build up in China had now been destroyed.

Addressing Dr. Altenburg, the speaker added, "You can take with you the assurance that just as the Chinese Government is determined to continue to fight until the possibility of honorable peace is ensured, so also is German industry resolved to continue with the same energy as before its task of contributing to China's economic reconstruction. We are convinced that when an honorable peace has been obtained, the co-operation between Germany and China will be even more active than before in repairing the damages caused by the war and in developing the economic resources of China. We would particularly ask you to bring this to the knowledge of our Chinese friends and to add that we are no less convinced than they themselves that a happier future will soon dawn for the Chinese people."

German Press Warns Japan on Perils of Deep Penetration

The German press Jan. 16 cautiously but clearly warned Japan on the dangers of a too deep penetration into China, and urged Tokyo to make China a peace offer on honorable terms. Observers in Berlin emphasized that the Reich anxiously desires to see an end to the Sino-Japanese conflict, for fear that Japan should become more deeply involved.

The *Frankfurter Zeitung* stressed that China was disappointed in her expectations of European intervention, and is now ready to negotiate with Japan. "For the first time," the paper stated, "certain circles in Hankow advocated the acceptance of a victor's peace."

The same paper expressed fears that Japan is discouraging China's good-will and emphasizes the dangers of Japanese penetration into China. "No Japanese who realises that his country is surrounded by powerful and envious neighbours can light-heartedly contemplate such a prospect," the journal writes. "What would victory mean if the vanquished country suffers a Communist revolution."

Growing Uneasiness Seen in Berlin Over Japan

While in official German circles the invasion of China is still being hailed as supremely glorious, there persists, says the Berlin correspondent of the London *Times*, an uneasy thought in many quarters that Japan is laying waste a formerly good customer, China, and is weakening herself into the bargain.

Bank of Formosa in Amoy Allegedly Seized by Chinese

The Chinese military authorities at Amoy have occupied the branch offices of the Bank of Formosa, a Japanese report Jan. 14, stated. The same report alleged that Formosa residents at Amoy are being oppressed by the Chinese authorities, and that two Formosans—the secretary and a member of the executive of the Formosan Association —were recently executed by a firing squad.

Land Reclamation to Be Carried on in Shensi Province

Detailed plans are being drawn up by the Shensi Provincial Departments of Civil Affairs and Reconstruction for land reclamation by war refugees in the region of Huanglung Shan (Yellow Dragon Mountain), in central Shensi. It is estimated that $650,000 are required for carrying out the project, and a loan will be secured from the Farmers' Bank of China for the purpose. 15,000 refugees, including several thousand from Hsuchow, in northern Kiangsu, will be benefitted.

Japanese War Office Sends Financial Investigator to China

The *Osaka Mainichi*, discussing the importance attached to the currency problem in the various districts of Central and South China occupied by Japanese troops, and the of dispatch Director Hisayoshi Munakata of the investigation bureau of the bank to China, to make investigations in those districts, says the Finance Office as well as the War Office have entrusted Mr. Munakata and his party with the task of making investigations regarding the monetary problems in China. The movement of the party and the result of its survey are being watched in Japan with been interest, "because it will undoubtedly provide a key to the solution of the pending Chinese currency problem."

Dr. H. H. Kung Reiterates China's Determination to Live Up to Her Obligations

Reiterating China's determination to live up to her obligations by fully and promptly meeting the service of her external and internal obligations, Dr. H. H. Kung, President of the Executive Yuan and Minister of Finance, declared in a statement in Hankow Jan. 15. that in 1937, despite the Sino-Japanese hostilities, the total revenue receipts of the Chinese Government had exceeded those of preceding years. "With their spirit for sacrifice and capacity for suffering as great as their determination to resist Japan's aggression," he added, "the people of China will see their country through the present struggle."

Admitting that the present hostilities had seriously discloated China's trade and industry and impaired Government revenues, Dr. Kung believed that, financially, China's ability to withstand the strain of a protracted war was not inferior to that of Japan. This, he said, was due to Japan's highly industrialized structure being more vulnerable to the unsettling effects of a protracted war than China's pattern of economic life, which was essentially agricultural.

The most significant factor in the successful management of China's war finance, Dr. Kung said, was the maintenance of currency stability in relation to foreign currencies. This accomplishment, he added, had created confidence both at home and abroad.

"With emergency exchange requirements largely taken care of," Dr. Kung asserted, "it seems reasonable to suppose that China's foreign payments will return to a state of approximate balance, although on a much restricted basis, as regards both imports and exports."

The relatively small dependence of China upon foreign trade, Dr. Kung concluded, greaterly strengthened the country's ability to conduct a protracted fight.

"Despite urgent military exigencies and the Government's financial problems, China has lived up, and intends to live up, to her obligations by fully and promptly meeting the service her external and internal obligations," Dr. H. H. Kung, President of the Executive Yuan and Minister of Finance declared in an interview with *Reuter* in Hankow Jan. 13. Maintenance of China's national credit, he said, had been facilitated by the fact that during recent years a strong foundation had been laid for China's financial and currency structure, enabling the country to endure a major conflict better than ever before. Moreover, Dr. Kung stated, during the first seven months of 1937, all revenues registered an unprecedented improvement. This was due to general political stability and improved administration of revenues, which, coupled with the currency reform in 1935 and the unusually good harvests in 1936-37, led to an all-round expansion of trade and industry.

The result was that in 1937, despite the Sino-Japanese hostilities, the total revenue collected by the Government exceeded that of preceding years. "Had it not been for Japan's aggression and interference," Dr. Kung added, "China would have been able to attain budgetary equilibrium during the current fiscal year—an object towards which she has steadfastly laboured."

Shanghai's Foreign Trade for 1937 Shows Unfavorable Balance

China's foreign trade handled through the port of Shanghai during the past year showed an unfavorable trade balance of $104,448,714 as compared with an unfavorable balance of $191,694,231 during the year previous, according to December report of the local offices of the Chinese Maritime Customs. This was an improvement for China of $87,245,567.

Imports for the year under review amounted to $508,844,132 as compared with imports valued at $553,094,902, during the year previous, or a drop of $45,250,770. Exports for 1937 were valued at $404,395,418, representing an increase of $42,994,797 over exports for 1936, which totaled $361,400,621.

Trade returns for the month of December at the port of Shanghai were $13,766,214 in imports and $18,568,084 in exports. These figures are approximately the same as for November of 1937 when exports totaled $18,027,171 and imports reached the figure of $10,390,915.

Trenchant Comment Made by "Financial News" on China Customs and Japan's Methods

Discussing the service of debts by the Chinese Government, the London *Financial News*, in an article Jan. 17 said it must be quite clear that the Chinese Government is not in a perfect position to give assurances on the subject. At present it seems likely to be only a question of time, the *Financial News* declared, before virtually the whole of the Customs revenues will come, for practical purposes, under Japanese control. In theory they may doubtless come under the control of "autonomous" Chinese authorities, "but we know well from Japan's policy in Manchukuo and North China how Japan manages these things."

The price for receiving money from Chinese independent authorities, the journal continues, is usually diplomatic recognition of their exact status as Tokyo sees it. In due course, that may be the minimum price for the disbursement of any Customs revenues.

Japan Withdraws Recognition of National Government, But No Declaration of War Is Included

THE "China Incident" expenditure (which is to be submitted to the current session of the Diet following the New Year holidays as the extraordinary military expenditure special account budget) is now being cautiously discussed between the War and Navy Offices and the Finance Ministry, the *Tokyo Asahi* stated Jan. 7. In consideration of the present various circumstances both the Army and Navy have decided to demand all the necessary expenditures at once on the assumption that no extraordinary session of the Diet will be opened, in order to seek complete armaments to cope with the prolonged resistance on the part of China. The total expenditures to be demanded by the Army and Navy combined is expected to exceed Yen 4,000,000,000.

Japanese Indebtedness Shows Increase of $1,497,743,000 in 1937

While Japan's total indebtedness had increased Yen 1,497,743,000 during 1937, foreign loans had been reduced by Yen 15,284,000, the Ministry of Finance announced in Tokyo Jan. 12.

New appropriations for Japan's military operations in China, regarded as certain to have much more effect on national finances than the 1938-39 budget proper of Yen 2,867,796,000 (U.S.850,000,000), will be presented to the Diet early in February, a *Reuter* message from Tokyo Jan. 14 stated. Tax increases in consequence are thought inevitable. Since the hostilities in China started last July, Japan has appropriated approximately Yen 2,500,000,000 (U.S. 735,000,000) for military operations. This amount will be exhausted by the end of the current financial year on March 31, the *Yomiuri* says.

The new appropriations are apparently to cover the whole of the military and naval operations for the coming financial year and they will be based on expectation of warfare over a long period. Though no prediction has been made of their probable total, it is forecasted, they are likely to run into "billions of yen."

To meet these appropriations, the Japanese Finance Ministry is said to be counting largely on public bond issues, "but in order to rectify the lopsided prosperity of munitions industrialists and equalize the distribution of profits, a certain amount of increased taxation will be carried out." The Finance Ministry will therefore first study war-time profits, commodity prices and possible effects of more taxation on the livelihood of the people.

With the expansion of her heavy expenditure on the hostilities in China, Japan's imports in 1938 will show a further increase, while her exports will remain on the same level as in 1937. Such is the view of Japanese experts concerning Japan's foreign trade this year."

Imports of raw cotton, wool, woodpulp, synthetic dyestuffs, lumber, and crude rubber, which constitute the bulk of Japan's imports other than the goods related to the munitions industry, are subject to official restriction by regulations promulgated last year.

Imports of raw cotton will be so restricted as to curb the consumption of cotton for the manufacture of home-consumption goods by 23 per cent. (The authorities estimate that the raw cotton imported into Japan has been used for the manufacture of export goods up to 60 per cent and the remaining 40 per cent for the manufacture of home-consumption goods.)

The Japanese Government estimates that 150,000 to 200,000 bales of wool have been used for the manufacture of export goods and some 650,000 bales for home-consumption goods by 40 per cent, or 260,000 bales.

As for lumber, pulp, rubber, etc., their import will be curbed by juridical import association which will ration such imports among manufacturers. Considerable restricting of such imports is expected.

Under this system, merchants and industrialists of medium and minor scale will suffer severely in proportion to the success of the import restrictions, which tend to help the big industrialists to monopolize supplies of raw materials.

Even though the purchase of peace industry materials be successfully curtailed, it does not necessarily mean a reduction of Japan's total imports. If the increase in the import of munitions and other materials required for the expansion of Japan's productive power outdistances the decrease in the import of peace industry materials, Japan's total imports this year will increase inevitably.

Judging from the progress of the Government's scheme for the expansion of production since 1937, and the outlook concerning the digestion of the "China Emergency" bondissues, totalling Yen 2,500,000,000, the import of munitions materials in the first half of this year will probably prove larger than that during the corresponding period of 1937. If the "China Emergency" is protracted and expenditures increased, these imports will rise proportionately.

Some Japanese interests fear the possible loss of the country's so-called new markets because some 300 kinds of articles, whose import has been prohibited, are mostly the products of these "new markets." Nonetheless, most of the articles involved in Japan's barter trade agreements with other countries have been carefully excluded from the list of import bans. Japan, moreover, will use special discretion as regards imports in exchange for which she may increase her exports.

Funded Debts of Japan Reach Almost Twelve Billion Yen

Funded debts of the Japanese Government at the end of 1937 amounted to Yen 11,892,948,000 according to an announcement by the Ministry of Finance in Tokyo Jan. 15. This figure was an increase of Yen 1,497,743,000 over 1936. Domestic debts totalled Yen 10,585,150,000, an increase of Yen 1,513,026,000 over the same period of 1936. Foreign debts totalled Yen 1,307,797,000, a decrease of Yen 15,284,000.

Japan Formally Severs Relations with Gen. Chiang's Government

Japan's intention to cease relations with the former Nanking Government was formally announced in Tokyo Jan. 16. The Japanese Government, the momentous declaration said anticipates the creation of a new regime and expresses its readiness to co-operate with such an administration in the establishment of a "new China." Sino-Japanese problems, the statement continued, will be settled through diplomatic negotiations with the newly-created government. There has been no change in the Japanese Government's policy of respecting the territorial interity and sovereignty of China and the rights and interests of Foreign Powers, the declaration emphasized.

"In order to afford the Nationalist Government its last chance to reconsider its attitude," the statement said, "the Imperial Government has waited since the fall of Nanking until to-day. However, the Nationalist Government has failed to appreciate this Government's true motives and made reckless plans for a continued resistance. In doing so, it utterly disregarded the indescribable misery of its own countrymen and never stopped to consider the peace of the entire Far East."

Japan's responsibility in connection with the maintainance of peace in the Orient the declaration said, is now "great and heavy," and "it is the Government's earnest desire that the people will exert still greater efforts to fulfil this grave responsibility."

Imperial sanction for the epochal statement was obtained the previous night by the Premier, Prince Konoye, who went to the Imperial Palace and made a detailed report to Emperor Hirohito on the text of the declaration.

A decision on the context of the statement was reached at a joint conference of members of the Inner Cabinet and the Imperial General Headquarters. Later, the draft of the statement was given formal approval by the Cabinet in an emergency session.

Joint Conference of Cabinet at Premier's Official Residence

One of the most imposing assemblages of Japanese governmental and military officials in recent times featured the joint conference of the Cabinet and the general headquarters at the official residence of Prince Konoye on Jan. 16.

The Foreign Minister, will recall Shigeru Kawagoe, Ambassador to China, by cable "very soon" it was said. Hsu Shih-ying, the Chinese Ambassador to Japan, was expected by political observers in Tokyo to leave the Japanese capital voluntarily, without waiting for the Government to hand him his passport.

Members of Chinese diplomatic and consular establishments in Japan were, however, expected to split, some of them returning home with Mr. Hsu and others pledging allegiance to the new regime in Peiping.

The text of the Government's announcement regarding its decision to cease relations with the former Nanking Government was cabled by the Gaimusho to its representatives abroad with instructions to explain's Japan's stand to foreign Governments.

Chinese Abandon Hope of Anglo-Saxon or Soviet Intervention

The Hankow correspondent The *Frankfurter Zeitung* Jan. 16 stated that during the previous few days the impression had been growing that important decisions were impending, on which the restitution of peace or the continuation of war may depend. According to the correspondent, a change of policy is observable in the Chinese press which appears to have abandoned all hope of possible intervention by the Anglo-Saxon powers or Soviet Russia in China's favor, and it is believed that this change is attributable to the influence of the Chinese Government. The correspondent goes on to say that the Chinese Government had hitherto observed an expectant and dilatory attitude regarding the possibility of reaching an agreement with Japan, but it would now seem that the Chinese Government wishes to avoid taking any action likely definitely to exclude such a possibility.

Japanese Army Will Continue to "Chastise" Anti-Japanese Administration

Tokyo's intention to cease relations with the former Nanking Government do not entirely preclude the possibility of negotiations with General Chiang Kai-shek's administration, in the opinion of a spokesman for the Japanese Embassy in China. The chances of such talks are, however, "very scant," he told foreign press correspondents.

Asked if the statement presaged intensified military activity against the National regime, the spokesman said "it may be one of the ways to be pursued, but not the only way." The "Provisional Government of the Republic of China" in Peiping, he said, "may ultimately be regarded as China's new government." The official said he did not think that Manchukuo is preparing to recognize the new Peiping administration.

Pursuant to the Japanese Government's decision to cease relations with the former Nanking Government, the Army will continue its campaign of chastising anti-Japanese administrations and troops in China, a War Office communique issued in Tokyo during the night of Jan. 15 stated.

The Army will also make every effort within its power to assist in the establishment and healthy development of a Government in China "capable and worthy" of co-operating with Japan the statement added.

Long Resistance Leading China to Ruin, Tokyo Daily Says

"Irresponsible Chinese who are still clamoring for futile protracted resistance to Japan are only driving China deeper into the abyss of ruin," the Tokyo *Asahi*, leading vernacular daily, declared editorially Jan. 11. Indorsing the Japanese Government's attitude in connection with the convocation of the Imperial conference to determine "fundamental China policies," the paper declared that now that the National Government was reportedly pushing preparations for further resistance, Japan "had no alternative but to inflict thorough punitive blows." The journal took note of reports that the National Government was "planning to reorganize large armed forces and seek greater assistance from Soviet Russia."

Execution of Japan's new determination toward China and the expenditure of funds for military operations unofficially estimated at Yen 4,000,000,000 have the support of the nation, the *Asahi* says.

Japan Salvation Army Head Changed

Lieut.-Gen. Gumpei Yamamuro, 67 years old, resigned Jan. 12 from the command of the Japan Salvation Army because of advanced age. Col. Masuzo Uemura, Chief Secretary of the Army's headquarters, was appointed his successor.

Heavy Damage Done in Japan by Earthquake

Heavy damage was done by a severe earthquake in central and western Japan early in the morning Jan. 12. The strongest force of the quake was felt in the southern part of the Kyoto and Osaka districts and in the eastern part of Shikoku, where houses were shaken violently.

Japan Drastically Cuts Cotton Imports

The Japanese Ministry of Commerce has taken drastic steps to curtail the consumption of raw cotton in Japan, it was reported by the American Commercial Attache in Tokyo to Washington Jan. 13. Effective on February 1, all cotton yarn used in the manufacture of goods for domestic consumption must be mixed with 30 per cent staple fiber, a synthetic material.

Staple Fiber Production Gains in Japan

Production of staple fiber in Japan gained considerably during 1937, according to a report by officials of the Ministry of Industry and Commerce Jan. 15. Staple fiber production in October amounted to 17,751,133 pounds against 7,850,077 in January of 1937. At present all manufacturers are enlarging their productive equipment and their average daily capacity of 623 tons is likely to be increased to more than 1,000 tons.

Japanese Appoint Financial Commissioner for China

Ryutaro Ohno, Secretary of the Finance Ministry, was chosen Jan. 7 to be the new financial commissioner to be sent to China.

Minoru Imamura, Secretary of the Finance Ministry, at the same time was appointed to a financial position in China.

Japanese Seek Large Loan in United States

A report that Japanese industrial interests are trying to establish a credit of $50,000,000 in the United States for the purchase of machinery, was published in the *New York Times* Jan. 16. T. J. Watson, President of the International Business Machines Corporation in New York, has been approached as President of the American section of the International Chamber of Commerce, with the Japanese enquiry, the newspaper declared.

If the credit is arranged, the *Times* continued, it will be used to purchase plant for the Manchurian Heavy Industrial Development Company, which was organized on December 1, last year, to take over the heavy industries in Manchukuo.

Japan's foreign exchange policy for 1938 will show a sharp turn, compared with the previous year, to meet the semi-permanent wartime economic situation. The government's gold shipments, which have been conducted since March last year in order to cover Japan's overseas payments and to maintain the yen exchange rate at a reasonable level, will be abolished. Instead, a stricter allotment system for foreign exchange will be adopted.

Ministry to Ask Diet for Fullest Powers to Control Japanese Industry

The Japanese Minister of Commerce and Industry, Shinji Yoshino, has decided to introduce into the Diet session, which resumes on January 21, a bill calling for a revision in the existing law concerning temporary measures regarding export and import articles. It is understood the Minister intends to insert the following provision to Article 1 of the present law: "The Government, when it deems it necessary for national economy in the China Incident, may cause manufacturers' organizations in different important industries to organize central councils and order them to adjust the demand and supply of their products."

It is further said that important industries under the above provisions will be designated, and details of the conferences will be fixed by Imperial Ordinances. Such lines as the cotton spinning and cotton textiles, woollen yarn and woollen goods and the rubber industry will be so designated.

Bills Drafted for State Control of Japanese Power Industry

Further details concerning the proposed state control of the electric power industry were revealed in Tokyo Jan. 13 with the publication of three bills drafted for the purpose. The first bill embodies provisions for state control of the electric industry to be effected through a development company which will be a limited semi-official holding concern. The second provides for the establishment of an electric industry development company which will undertake the generation and transmission of power. Guarantees for foreign loans and debentures issued by power companies in the capitalization of the development company are provided for in the third measure. This bill stipulates that the electric power development company will guarantee the redemption of such foreign loans.

Rightists Ask Leftists to Be Rightist

Japanese Rightist leaders Jan. 13 asked noted Leftists, spared by the police in the recent series of raids, to join the Rightist camp "in the cause of true Nipponism." No formal acceptances of the offer have yet been recorded, but many Marxist organizations have already indicated their intention to join the proletarian Social Masses Party in combating Communism. Meanwhile all Leftist writers and organs, mindful of the fate which befell 370 reputed Marxists a month ago, are maintaining complete silence, the Tokyo press reports.

Soldiers Killed in China to Be Enshrined in Tokyo

The spirits of officers and men killed in action in China will be enshrined in the famed Yasukuni Shrine, which already contains the names of all men who had sacrificed their lives in the service of their country, it was announced in Tokyo Jan. 16. The first enshrinement ceremony for men killed between July 7 and end of November will be held in April, officials of the Ministries of War, Navy and Imperial Household decided on Jan. 16.

Common Law Wives Widowed by War to Get Pensions

Common law wives of Japanese widowed by war were made eligible for pensions by an ordinance published Jan. 16. Hitherto, common law wives were exempted from the provisions of the Pension Regulations on the ground that they were not registered in the same census returns with their husbands.

Memorial Rites Held For Slain Soldiers in Shanghai

Memorial services for Japanese soldiers killed in action were held at the Nishi Hongan Temple on Chapoo Road, Shanghai, Jan. 15. Messages of appreciation and condolence were read by Masusaburo Amano, President of the Japanese Residents' Corporation and representatives of the Japanese Ex-Servicemen's Association.

Hospital Ship Takes Last Cargo of Wounded to Tokyo

Performing her last duty as a naval hospital ship, the s.s. *Asahi Maru*, which has been plying the Yangtze for the past six months while transporting wounded soldiers during the present hostilities, returned to Tokyo Jan. 12 with her last load. The wounded and sick Japanese soldiers brought to Tokyo donned white clothing and were welcomed by the Princess Dowager Fusako Kitashirakawa, the Princess Dowager Masako Takeda, high military and naval officers, members of the Ex-Servicemen's Association, and members of the Women's National Defence Association.

Japanese Private Acclaimed as "Greatest Hero"

Takeo Ohta, a private in the Japanese Army's supply corps and an expert with the short Japanese sword, is acclaimed by the Tokyo press as "the greatest hero" of the current conflict. The proud soubriquet, the papers state, was earned by Ohta at the expense of more than 60 Chinese soldiers, whom he killed with his

weapon as they were preparing to launch a surprise attack upon Japanese outposts near Hangchow, on Jan. 2. The soldiers had just crossed the Chientang River, when Ohta saw them. He immediately attacked them single-handed and put them to flight, after killing more than 30 of them.

Korean Volunteers to Join Japanese Army

Korean volunteers will be allowed to join the Imperial Army, the Tokyo War Office announced in a special communique Jan. 15. The volunteer conscription system, which will go into effect in April, will avowedly serve as recognition of "patriotism displayed by Koreans in the current crisis," the communique said.

The "time has arrived," the statement said, "to enforce voluntary military training of Koreans, so as to make them participate in joint national defense of Korea, in view of the latter's progress."

Chinese in Japan and Korea Back Peking Regime?

Fifteen-hundred Chinese residents in Yokohama Jan. 12 adopted a resolution condemning Gen. Chiang Kai-shek's administration and voicing their support of the new Provisional Government in Peking, a *Domei* message stated.

Chinese residents of Nagasaki gathered at the Fukken Kaikan Jan. 10 to express their support of the new Provisional Government of China. Their action followed close upon that of the Chinese residents of Kumamoto, a *Domei* message said.

Fifty-three Chinese residents in South Saghalien Jan. 7 announced their support of the Provisional Chinese Government in Peking, a *Domei* message said.

Forswearing their allegiance to the former Nanking Government, all Chinese official organization in Korea, including consular establishments, Jan. 7 pledged fealty to the newly-established Provisional Chinese Government in Peking, a *Domei* message said.

Governor General of Korea Is Received in Audience by Japanese Emperor

Jiro Minami, Governor-General of Korea, arrived in Tokyo Jan. 12 by air, and was received in audience by Emperor Hirohito three days later.

Minami Says Koreans Co-operate With Japan's Policies

Koreans are firmly united with the Japanese in their efforts to overcome the present crisis with which Japan is confronted in the China hostilities, Gen. Jiro Minami, told a *Domei* in an interview shortly after his arrival in Tokyo. Gen. Minami said the people of Korea, fully aware of their status as Japanese, are acting accordingly to support Japan's policies.

Agnes Smedley Says Eighth Route Army Is Starving the Japanese

The Eighth Route Army is starving the Japanese troops in North China by evacuating residents and foodstuffs from towns lying the in path of the Japanese advance and by cutting Japanese lines of supplies in the rear, Miss Agnes Smedley, American authoress who has been engaged in relief work among Chinese troops, told the *United Press* in Hankow Jan. 12.

Miss Smedley estimated the strength of the Eighth Route Army at 100,000 regular troops and 100,000 trained farmers who she said were harassing the Japanese in northern Shansi, southern Chahar and all territory west of the Peiping-Hankow railway in northern Honan.

Miss Smedley reported that heavy Japanese concentrations were rushed to Tatung and Taiyuan in an effort to wipe out the Red troops. She believed the Japanese campaign against the former Reds would not be successful, however.

The only foreigners working with the Eighth Route Army, the American authoress said, are one German instructor and a Turkish medical doctor who is generally known as Dr. Ma. She said she did not know the name of the German.

Miss Smedley dispelled the general belief that many Soviet staff officers were assisting the Eighth Route Army. She maintained she had not yet seen one Soviet officer during her many months with the Army, but said many Chinese had mistaken her for a Soviet officer.

The relations between the Communist troops and General Yeh Hsi-shan was said to be "perfect." The Shansi Commander is supplying the Red Army with munitions and other war materials, she said.

She pointed out that the supply problem of the Eighth Route Army had been partly solved by the seizure of Japanese supply trains. Other supplies come from the Central Government, she added. The northern section of the Pinghan railway now under Japanese occupation has been raided many times, yielding large Japanese supplies to the followers of Chu Teh and Peng Teh-huai, Miss Smedley said.

Concerning the reported milltary successes of the Eighth Route Army, Miss Smedley said the mobile units of the Army had captured many towns but were unable to hold them because of the lack of heaay weapons.

Her own position with the former Red Army was merely as a correspondent, she said, although it was generally known that she had travelled to the Shansi and Honan fronts engaging in first-aid and other relief work.

Dressed in typical Chinese military uniform with a brown felt green jacket under a grey-lined heavy furcoat, Miss Smedley is nursing injuries to her back which she sustained when she fell twice from a horse while doing relief work with the Chinese troops.

General Yen Hsi-shan Says Counter-Attack Against Japanese Would the Suicide

General Yen Hsi-shan, Pacification Commissioner of Shansi and Suiyuan, denied the intention of Shansi forces to stage a counter-attack against Japanese troops in an interview published in Hankow Jan. 11. The veteran leader pointed out in the interview that a counter-attack would be equivalent to suicide because of the absense of the fullest possible cooperation of Chinese troops along the Tsinpu-fronts.

There were large Chinese troop concentrations at Taiku, site of the famous Oberlin College in China, which has been removed to Sian at present, a *Central News* report said. General Yen attributed recent Japanese withdrawals from Taiyuan area because of the increasing activity of Chinese partisan groups.

Japanese Attempt to Cross Chientang River Fails

A Japanese attempt to cross to the southern bank of the Chientang River from Haining, 29 miles north-east of Hangchow, by means of seven steam launches was frustrated Jan. 10, One launch was hit and sunk by Chinese artillery while the rest were forced back.

Anti-Comintern and Provisional Governments. to Amalgamate

Definite steps were taken Jan. 16 to speed up preparations for the amalgamation of the East Hopei Anti-Comintern Autonomous Government with the "Provisional Chinese Government," leaders of the new regime announced. Union of the two regimes is expected to be effected by the end of March. Various projects of the East Hopei Government which have been pending for some time have been taken in charge by the "Provisional Government" and are being diligently carried out, it was stated.

In this connection, a summary of the work of the "Provisional Government" showed progress in one month's time in administrative, financial, and rehabilitation fields.

Among the first projects undertaken were the restoration of peace and orderly civic administration, repairs to factories damaged in the hostilities in Hopei Province, and placing of important industries on a sound hasis. Iron works in Taiyuan, Shansi Province have been reopened as the result of the government's efforts. These had been damaged severely by Chinese soldiers.

Tsao Kun and Wu Pei-fu Refuse to Be Presidents of New Peiping "Provisional Government"

Reports to the effect that Tsao Kun, former President of the Chinese (Peking) Government, or Gen. Wu Pei-fu, former leading warlord, will be appointed President of the Peiping "Provisional Government," were by found wholly untrue, according to special information obtained the *Hwa Mei Wan Pao*, said paper announced Jan. 7.

"Federated Reserve Bank of China" to Be Formally Inaugurated Next March

The Federated Reserve Bank of China, establishment of which was announced by the Government on January 7, will be formally brought into existence early in March with appropriate ceremonies. Tsao Ju-lin will be appointed as the first president of the bank. Appointment of an organization committee for the new bank, in which all banks in North China are expected to participate, was announced simultane ously.

Within a week after the advent of the "Provisional Government" on December 14 all branches necessary for administration were functioning.

"The Provisional Government of the Republic of China" Jan. 7 appointed an organizing committee for the Federated Reserve Bank of China. The committee includes Pien Shou-sun, manager of the Bank of China, Hsu Po-yuan, manager of the Bank of Communications, Hsia Yun-sheng, manager of the Bank of East Hopei, and five other bankers. The Federated Reserve Bank of China, which "aims to unify and stabilize the currency of China," will be organised as a joint concern between the "Provisional Government of the Republic of China" and Chinese bankers, with a capital of Yuan 50,000,000, which will be equally subscribed by the "Provisional Government" and the bankers.

Head of Japanese Steel Corporation Appointed Supreme Adviser in Peiping

On the understanding that he can retain the presidency of the huge Japanese Steel Corporation, Hachisaburo Hirao, well-known business leader and formerly Minister of the Department of Education, has informally accepted the post of Supreme Adviser to the "Provisional Government of China," according to the Tokyo *Yomiuri* of Jan. 16. Mr. Hirao, it is stated, will rank next to Wang Keh-min, Chairman of the Administrative Commission of the new regime at Peiping, which was formally inaugurated on December 14. Seventy-one years of age, Hirao is a director of numerous concerns, including the Kawasaki Dockyard Company, the Tokyo Marine and Fire Insurance Company, and the Tokyo

Salvage Company. In 1935 he went on an economic mission to Brazil.

Cut in Import Duties at Tientsin Forecast

Reduction in import duties by the maritime customs at Tientsin will be put into effect shortly, it was reported from Osaka Jan. 16. A decrease of from 30 to 50 per cent to amend "discriminatory tariffs" on Japanese imports was expected to be ordered.

Preparations Completed for Huge Battle North of Hsuchow

With the arrival Jan. 16 of further Japanese reserves, about 10,000 strong, on the north bank of the Yellow River, it appears as though the preparations of both sides for the great battle expected to take place on the Tientsin-Pukow railway north of Hsuchow are completed.

Japanese troops this week crossed the river near Lokow not far from Tsinan and were proceeding in forced marches from there southwards to the front.

Unconfirmed reports stated that further Japanese troops from Tsingtao are marching along the railway line to Tsinan.

North China to Have "Anti-Bandit" Defense Force

Organization of a specially-trained police force to launch a four-month determined campaign against the proving Chinese bandit-soldiers in Hopei was decided Jan. 10 by leaders of the "Provisional Government" in Peiping.

Chinese Claim Recapture of Tsining

Military despatches from General Tsao Fu-lin, commander of the Chinese left wing on the Tientsin-Pukow Railway front, and General Sun Tung-hsuan, deputy commander of the Third Route Army, claim that Tsining was recaptured early on the morning of January 13, but other sources in Hsuchowfu and Chengchow stated that, while the Chinese forces have scored gains in the Tsining sector, the city itself is still in Japanese hands.

Chinese Launch Vigorous Drive Towards Wuhu

Chinese troops have launched a vigorous drive towards Wuhu, on the Yangtze, according to Chinese reports received in Hankow Jan. 17. The Chinese air force is said to be playing a prominent part in the push, bombing Japanese positions in Wuhu, Lukang (west of Wuhu), Kwangteh and Szean.

Military Training for Young Men in Shensi

The Sixth Department of the Military Affairs Commission has opened a branch office in Sian for the registration of young men. It is reported that more than seven hundred have already registered, during the first few days this was established. They will receive special military and political training, for the strengthening of the national forces in the campaign of armed resistance.

20,000 Japanese Troops Sent from Shanghai to Shantung

Well-informed circles in Hongkong Jan. 14 stated that between January 8 and 13 a total of 20,000 Japanese soldiers were sent from Shanghai to Shantung, aboard some twenty transports. They were landed at Tsingtao.

Mobilization Committee Established in Kwangsi

The Kwangsi authorities have organized a mobilization committee, including Hwang Shiu-chow, Chairman of the Kwangsi Provincial Government, and twenty-four other members. This committee will take charge of the mobilization of both men and wealth for armed resistance, recent messages from Kwangsi stated.

"Federated Reserve Bank" to Lend $12,500,00 to New Government

Wang Shih-ching, Director of the Central Bank of Manchukuo has been appointed a member of the committee making preparations for the creation of the Federated Reserve Bank of China. The body is headed by Wang Keh-min, Chairman of the Provisional Government's Executive Commission.

"In pursuance of the policy of Sino-Japanese economic rapprochement," the Government will lend the new Chinese Provisional Government $12,500,000, representing one half of the latter's investment in the projected Federated Reserve Bank of China. One half of the bank's capitalization will be subscribed by Chinese banks in North China. The new organ will be the sole bank of issue in the area under the Provisional Government's control.

Japanese Officials Believe Chiang Will Not Give Up

Japanese diplomatic officials in China believe that Gen. Chiang Kai-shek will not capitulate and think it advisable to give "positive support" to the new administration in North China, the Tokyo *Asahi*, said Jan. 15. Information to this effect, the journal said, was brought to Japan by Tatsuo Kawai, Director of the Gaimusho's Bureau of Publicity, on his return from a trip on North and Central China over the year-end holidays.

I. P. R. Survey Shows How "Open Door" Has Been Closed in North

If Japan repeats in the northern Chinese provinces she has occupied the foreign trade and investment policies she has applied to Manchukuo, the famous Open Door for western nations in China will become merely a one-way passage—and that outward, according to a survey of the Institute of Pacific Relations published last week.

While at all times proclaiming the maintenance of the open door policy in Manchukuo, Japan has succeeded by such measures as the organization of a state monopoly on petroleum, which squeezed out all the foreign concerns, in making foreign trade and investment there impossible.

"In Manchukuo," the survey finds, "foreign trade, commercial enterprise and investments, other than Japanese, have been substantially reduced. With one or two unimportant exceptions, foreign capital has not shared in the development of the boom, for Japan has taken to itself a practical monopoly of Manchurian development.

"Theoretically the open door has remained open, but in practice the net result has been the necessary withdrawal of foreign interests. Only in the case of the government oil monopoly did the foreign governments even have an opportunity to protest."

In reply to the expressed desire of Japan to have foreign capital associated with it in the development of Manchukuo and which has resulted in British, French, German and Belgian trade missions being sent there, the Institute finds they could find apparently no opportunities for investment on conditions acceptable to them. The monopolistic nature of the various Japanese enterprises already established left no opening for foreign capital.

"Controlled economy and official monopoly have been the guideposts of Manchurian development," the survey says.

The Institute finds that if Japan applies these same methods in the other northern Chinese provinces which she has dominated, the effect on foreign trade and investment will be even more marked, for foreign interests in the northern sections are far greater than they were in Manchuria.

The Institute reports that it is really questionable whether Japan has sufficient capital to undertake the development of the newly controlled provinces but estimates that in anh event she will try to pursue a system of monopolistic development along the same lines as in Manchukuo.

"Mosquito" Paper Says Outer Mongolian Troops Defending Ningsia from Japanese

Instead of 100,000, as previously reported, some 40,000 Outer Mongolian troops are reported to have actually arrived in Ningsia, on the border of Suiyuan province, the *Tung Fang Jih Pao* Jan. 14 stated. Though their numbers are not as great as had been expected, their equipment is said to be most up-to-date, with strong mechanized units. Instead of pushing further east to Shansi and Suiyuan, to attack the Japanese troops there, these Outer Mongolian troops are now digging in at Ningsia to stop any possible attempt on the part of the Japanese to cut communications between Outer Mongolia and China by occupying the little province of Ningsia.

Chinese Guerillas Active Near Paotow

Chinese troops in western Suiyuan are in control of the area east of Wuyuan, less than 147 miles west of Paotow, the western terminus of the Peiping-Suiyuan Railway, recent messages from Lanchow stated.

Assisted by a small force of Japanese soldiers, Paotow is being garrisoned by "Manchukuo" units. After repulsing two attacks by the combined Japanese and "Manchukuo" troops, Chinese guerillas have advanced to the neighborhood of Paotow.

Outer Mongolian Troops Occupy Pailingmiao

It was reported from Linfeng Jan. 14 that more than 10,000 Outer Mongolian troops have occupied Pailingmiao, northern Suiyuan. A large Mongol Chinese force is also garrisoning points north of Pailingmiao up to the Outer Mongolian border.

Hankow Papers Say Ulan Bator to Give Up Independence

Outer Mongolia will abandon her independent status "before long" and join China in a war of resistance against Japan, according to recent Hankow newspapers. The country is to be made a defense area, with the head of the Ulan Bator Government as its commander.

Chinese Destroy One Billion Dollars' Worth of Japanese Property in Shantung

Japan's one billion dollar investment in Shantung Province was believed to have been virtually destroyed by the Chinese, a Japanese Embassy spokesman told foreign correspondents at a press conference in Shanghai Jan. 12.

While actual figures on the losses suffered by Japanese properties could not be obtained at the present time, they were believed to be very heavy, the spokesman said.

Listed as among the principal properties damaged were: the Tsingtao mills, coal mines in the vicinity of Changtien, and rolling

stock of the Tsingtao-Tsinan Railway.

Most of the railway rolling stock was held for a $30,000,000 loan still was outstanding. The loan matured at the end of 1937 but was not repaid.

In addition, the following properties were damaged or destroyed.

The Japanese Weather Bureau in Tsinanfu; the lecture hall of the Japanese Primary School in Tsinanfu; Dojin Hospital in Tsinanfu.

Both the Weather Bureau and the lecture hall of the school were burned, the spokesman stated. The rest of the rooms in the school were looted.

All departments of the hospital, with the exception of the sick ward where patients were being cared for, were looted, the spokesman said, and surgical instruments removed.

At Changtien the Japanese branch Consulates and the Japanese Primary School were looted. Coal mines were destroyed beyond hope of rehabilitation, the officer declared.

In this connection, the spokesman declared that the destruction of Japanese cultural, educational and purely civil institutions in Shantung differed entirely from the damage suffered by Chinese schools and other cultural and educational institutions in the recent warfare.

Chinese institutions, he said, had lost the character of cultural establishments because they were used by the Chinese military as bases of operations.

For instance: Nankia University in Tientsin was used by the 26th Brigade of the Chinese 29th Army as a base of operations, and was subsequently bombarded by the Japanese forces on July 29, the spokesman declared.

The same circumstances applied to the Nankai Girls' Middle School and the Hopei Middle School, which were used by the 38th Division of the Chinese Army as bases of operations, he stated.

In Shanghai the Tungchi University at Woosung was similarly used by the Chinese, as was the Commercial University at Kiangwan, the officer alleged.

Rehabilitation of Tsingtao Mills Will Require Yen 200,000,000

At least Yen 200,000,000 will be needed to rebuild the Japanese textile mills looted and burned down by Chinese soldiers last month, officials of the Japanese Cotton Mill Owners' Association in China decided at an emergency conference in Osaka Jan. 14. The value of mill property destroyed in Tsingtao, on the basis of preliminary reports, was placed by the officials at Yen 127,520,000. About Yen 50,000,000 will be needed by nine companies affected by the wholesale destruction in Tsingtao to launch a rehabilitation program, the officials agreed. As soon as the investigations are completed, the Association will submit a formal report to the Government with a request for credit on easy terms. Companies operating mills in Japan proper have already decided to move their idle looms and spindles to Tsingtao, to replace equipment destroyed by the Chinese.

"Provisional" Government Plans Full Control Over Shantung

Assumption of full control over Shantung, the greater portion of which has now been occupied by Japanese troops, is being planned by the Provisional Government of the Republic of China, a *Domei* message from Peiping Jan. 12 stated.

"Peace Commission" Established in Tsingtao

A Peace Maintenance Commission of the usual type was formed in Tsingtao Jan. 17. Gen. Chiao Chi, former Director-General of the Tsingtao Administration, was chosen by the Provisional Government in Peking as Mayor of Tsingtao.

Proclamation at Tsingtao Stresses "Righteousness" of Japanese Troops

A proclamation, entitled "Urgent Order," was posted throughout Tsingtao Jan. 13 by the Japanese authorities, enjoining the populace "to rely upon the righteousness of Japanese troops and to keep the peace." It also announced that Japanese troops would take all possible steps to maintain order; asked the populace to co-operate with the Japanese authorities in maining peace in the port; asked the populace to facilitate the movements of Japanese troops; threatened "severe punishment" to looters and incendiarists; promised rewards for information leading to the discovery of hidden explosives or arms; and announced that curfew would be imposed from 7 p.m. until 7 a.m. daily.

Japanese surpevisors were installed at the Tsingtao Post Office at the same time, although so far no announcement regarding the censoring of mails has been made.

Japanese Clear Boom from Tsingtao Harbor

Acting swiftly to bring shipping conditions in Tsingtao back to normalcy, Japanese bluejackets occupying the Shantung port Jan. 13 removed part of the boom which had been constructed by the Chinese to obstruct coast traffic.

Tsingtao Japanese Consulate Reopened

After hasty repairs to the building, the Japanese Consulate-General in Tsingtao was formally reopened Jan. 13 by Shoiiro Otaka.

Japanese Claim Tsining Church Shelled by Chinese

A direct hit by a Chinese field-gun shell on the German church in Tsining on Jan. 11 resulted in heavy damage to the building and death to four Chinese refugees within, according to a report received by the Japanese military authorities in Tsinan Jan. 14.

Japanese Thrust Farther Into Shantung

Crossing the Grand Canal, Japanese infantry on the night of Jan. 13 advanced to Siaoliu, south of Taliutien. Their advance followed close on the occupation of Taliutien two days previously.

Kaomi Occupied by Japanese

Driving eastward along the Tsingtao-Tsinan Railway, the Nagano detachment of Japanese infantry at noon Jan. 14 occupied Kaomi, 295 kilometers east of Tsinan and 99 kilometers west of Tsingtao.

Japanese Say Han Fu-chu's Troops Were Decimated by Aerial Bombing

While Gen. Han Fu-chu, former Shantung warlord, Jan. 16 awaited judgment in Hankow for alleged dereliction of duty, his troops (according to *Domei*) had been caught in a marshy region in the southwestern corner of the province, and were being rapidly decimated by ceaseless, intensive aerial bombing. Meantime, Japanese troops continued to converge upon the Chinese "Hindenburg Line," along the Lunghai Railway, from north and south.

Seven Hundred Thousand Chinese Troops Reported Holding Lunghai Railway

Though Tsining is now occupied by the Japanese troops, it is problematical whether the Japanese can hold it for long, as the Chinese are making a determined attempt to again recapture the strategic Shantung city. There are some 700,000 Chinese troops holding the Lunghai Railway. 400,000 of these are Central Government troops, a Hsuchow message to the *Eastern Daily News* Jan. 15 stated.

Advancing northwards along the Tientsin-Pukow Railway from Tsowhsien, the birthplace of Mencius in southern Shantung, and from Tsining, strategic city in southern Shantung, the Chinese central column and left wing forces were converging on Yenchow, midway between Tsinan, the Shantung provincial capital, and Hsuchow, the junction of the Tientsin-Pukow and Lung-Hai Railways, a *Kuo Min* message from Hsuchow Jan. 16 stated.

Sixteen Japanese in Shanghai Police Force Are Promoted

Owing to pressure brought by the Japanese authorities upon the Shanghai Municipal Council—combined with general dissatisfaction among the British members of the Police Force, who are daily being subjected to indignities by Japanese in uniform and against which they have no redress—there has been a general shake-up in the Municipal Police Force, the net result of which is that many Japanese have been appointed to posts formerly occupied by British.

Referring to recent changes in the Shanghai police service, a Japanese Embassy spokesman stated that the promotion of 16 Japanese members of the Shanghai Municipal Police Force was "based upon merit." Asked what his "guess" was regarding the action of the Council, the spokesman declared that there was "no question of guesses." The step, he opined, had been taken "in the interests of the service" and, in his belief, was not related with the recent Japanese demands for greater participation in municipal affairs.

The Shanghai daily papers of late have contained frequent accounts of the retirement of British members of the Shanghai police force after so-and-so many decades of service. Prominent among these was Superintendent "Jimmy" Sinclair, who retired Jan. 15, after thirty years service. He joined the S.M.P. on Feb. 10, 1908, as a constable.

Superintendent Sinclair's retirement begins a long list of retirements of high ranking police officials scheduled for this year. Four other leading police officers including the commissioner himself, Major F. W. Gerrard, are retiring at various times during the present year. The three others, whose prospective retirements have been announced are: Deputy Commissioner R.C. Aiers, Deputy Commissioner S. C. Young, and Assistant Commissioner W. E. Fairbairn. Major Gerrard came here from India, where he had spent more than two decades in police work.

Police promotions listed in the *Municipal Gazette* mentioned only Japanese officers. Ten Japanese constables were raised to the rank of sergeants; two sergeants were made sub-inspectors on probation and two sub-inspectors were made inspectors while Inspectors Suehiro Iwasita and Tokujiro Hirai were promoted to the rank of chief inspector on probation, the number of Nipponese holding this rank being doubled.

Dr. H. H. Kung Gives Views on Reported Negotiations for Peace

Dr. H. H. Kung, President of the Executive Yuan and Minister of Finance replied to a barrage of question concerning Japan's rumored peace terms and the Japanese Government's declaration repudiating the Chinese Government when he gave a tea reception at Hankow Jan. 17 to foreign correspondents at the Central Bank. Dr. Kung declined to make an official statement, and said that all "interpretations and inferences" from his answers must be on the responsibility of the correspondents themselves. Much significance was attached to Dr. Kung's reply that "if the Japanese Government continually talks about peace terms, it must have sent some."

Asked if the Chinese Government had rejected Japan's peace terms, he replied: "It is very difficult to define rejection. Whether a request for elucidation on certain important points, or whether some but not all of the terms are found to be acceptable, can be called rejection is open to discussion."

Asked if the Chinese Government had refused to discuss peace, Dr. Kung answered: "China has never wanted war, so whenever Japan ceases her military operations China will be found ready to discuss peace."

Asked if Manchuria's status would come under discussion, he replied, "If peace is discussed we want lasting peace. All questions, therefore, must come under discussion."

In this connection Dr. Kung declared, in regard to the Japanese Government's statement repudiating the National Government, "How can we discuss peace if Japan does not even consider us China's government."

Asked what China would do if Japan recalled S. Kawagoe, the Japanese Ambassador to China, Dr. Kung replied: "It is within reason that we shall recall our Ambassador in Tokyo."

Asked if such a step meant severance of relations between Japan and China, Dr. Kung said, "The fact speaks for itself."

Referring to the Peiping regime, Dr. Kung declared, "Has Peiping a government? It is not the government of China if it is not supported by the Chinese people or friendly powers."

Asked regarding the future intentions of the Japanese Government, Dr. Kung stated: "The popular phrase, 'a Chinese puzzle' must be transferred to Japan, as nobody knows the real intentions of the Japanese."

Asked what would China consider reasonable peace terms, Dr. Kung replied "This question must be answered by the Chinese Government, not by me, as I am only one member of the Government."

Hankow Attaches Little Importance to Japanese Declaration

Official circles in Hankow attached little importance to the Japanese Government's Declaration as, they assert, the cessation of Japanese relations with the National Government had long been expected by China.

The Japanese statement, it is contended, justifies the Chinese belief that Japan would not declare war on China or denounce the Nine-Power Treaty, in order to avoid further complications with Great Britain the United States and France.

China, it is stated, entertained the peace overtures from Japan through Germany purely to prove, in principle, that China never wanted war with Japan or any body else, but was compelled to fight. China, it is emphasized, is still ready to discuss reasonable terms.

"China has not accepted Japan's peace proposals." China will continue to organize her resistance to Japan with all means at her disposal but is now as ever ready to make an honorable peace." This was the impression gained by a *Trans-Ocean* representative in Hankow after a number of conversations with leading Chinese personalities belonging to Government circles. These all emphasize that there is no possibility of peace as long as Japan is not prepared to change her policy towards China completely.

Japan Will Agree to Talks if China Changes Stand

Japan is willing to open peace talks with China, if the latter "wholeheartedly" accepts Tokyo's terms and "shows signs of reflection," the Tokyo *Nichi-Nichi* editorially said Jan. 13. If no such steps are taken, the Japanese Government is "determined to exterminate the anti-Japanese administration in China," the daily added.

China's Is Determined to Carry On

Recent arrivals from Hankow, interviewed by the *North-China Daily News* in Hongkong, declared that China had never faltered in her decision to "see the crisis through" without yielding to either force or persuasion. General Chiang Kai-shek was in fine health and spirits, according to those who had seen him. Reverses and suffering had been anticipated by Government officials in the present emergency, but their confidence in China's ultimate victory never wavered, the informants said. It was also pointed out that repeated instructions had been given by the Central Government to her spokesmen, for their guidance, that China was not suing for peace. Emphasis was also laid on the fact that China was never so strongly united as she is to-day, the informants said.

Gendarmerie Headquarters Created for Wu-Han Area

In view of the importance of the Wu-Han area for military, economic and communication purposes, an order was specially issued by General Chiang Kai-shek, last week for the creation of a Gendarmerie Headquarters for the area. General Chen Cheng, Administrative Vice-Minister of War, has been appointed Gendarmerie Commander; with Lieut.-General Kuo Chien, Garrison Commander for the Wu-Han area, as his Chief-of-Staff. The two officers assumed office Jan. 11.

Conditions in Nanking Said to Be Returning to Normalcy

Living conditions in Nanking are gradually returning to normalcy and many Chinese refugees are going back to their homes, a Japanese Embassy spokesman announced Jan. 15. Japanese authorities have donated 10,000 bags of rice, 22,000 bags of wheat and 500 bags of salt to help provide for the refugees, he declared.

Following the weeding-out of 1,500 former Chinese soldiers from among the 250,000 Chinese in the "so-called refugee zone in Nanking," civilian Chinese in Nanking were allowed to go back to their homes on Jan. 5, a Japanese Embassy spokesman announced. The ex-soldiers, he said, were being held in custody.

Madame Chiang Kai-shek Arrives in Hongkong —Meets Two Sisters There

Madame Chiang Kai-shek, wife of the Generalissimo, arrived in Hongkong Jan. 12 from Hankow by airplane, accompanied by W. H. Donald, adviser to the Generalissimo. Madame Chiang met her elder sister, Madame Sun Yat-sen, widow of the late Party Leader, in Hongkong and is also seeking treatment for eye trouble. Foreign reports alleging that China would accept the Japanese terms for peace were strongly denied by Madame Chiang's entourage.

Strict secrecy is now shrouding the movements of Mme. Chiang, possibly for fear of Japanese air raids, local Chinese papers said.

The revelation of her arrival in Hongkong caused quite a flurry in journalistic and official circles.

Mme. Chiang's spokesman denied that her trip here had any political significance. She merely desired, he said, to see her elder sisters, Mme. H. H. Kung and Mrs. Sun Yat-sen, now staying there.

T. V. Soong and his two younger brothers, T. L. and T. A. Soong, and O. K. Yui, former Mayor of Greater Shanghai, are also stated to be in Hongkong.

Gen. Chiang's Desire to Seek Peace Denied by Wife's Spokesman

Gen. Chiang Kai-shek's reported intention to seek peace was emphatically denied in Hongkong Jan. 15 by a spokesman of Mme. Chiang in an interview with a foreign correspondent. The Generalissimo, the informant said, is now personally directing the defense of China's "Hindenburg Line," along the Lunghai Railway.

Referring to Madame Chiang's visit to Hongkong, a Japanese spokesman said: "It may have profound political meaning or it may just be the result of Mme. Chiang's desire to get a hair-wave."

Flight-Lieutenant Wan Says Japanese Are Particularly Bitter Against Cantonese

Flight-Lieutenant Wan Shih Hung of the Chinese air force last week gave an interview at Canton in which he gave an account of some of this experiences during several months of active fighting with the Chinese air force. He was seriously wounded while defending Nanking just before its fall, and through the assistance of American friends was safely transported to Hankow by boat. He is now in South-China fully recovered. The Nanking retreat, declared Lieutenant Wan, bore little significance to the Chinese military plan. The Chinese forces could have defended the capital for another three months, but Generalissimo Chiang Kai-shek ordered the retreat merely for reasons of military strategy. In spite of Japan's boast as a world power, said Lieutenant Wan, the Japanese soldiers were no better than savages. Thousands of defenceless Chinese refugees were massacred in cold blood. Hatred against the Cantonese was especially bitter. Whenever a Cantonese soldier was killed or captured, his head would invariably be severed and raised high on the point of the enemy's bayonet amidst shouts of "banzai."

Provisions Stored in Canton for Lengthy Hostilities

Storage of provisions to prepare for resistance to an anticipated Japanese attack on Canton has been ordered by Chinese authorities there. Reports from Canton indicated that the authorities were urging the people to resist by "reducing everything to ashes," in the event of an attack.

Gasoline to be used for setting the fires reported to have been ordered was stored at important points in the city, it was claimed in telegrams from Tokyo.

First Soviet Parliament Assembles in Kremlin at Moscow

The Supreme Council of the Soviet Union, the first Soviet Parliament, met in the Throne Room of the Kremlin in Moscow Jan. 12. Of the 1,143 deputies, 855 are members of the Communist Party and 288 are so-called non-party Bolsheviks. All classes are represented, including 200 peasants, several milkmaids, and two charwomen, but the majority are Government officials.

Deputies from all the Union and autonomous republics, autonomous regions and national areas of the Soviet Union took their seats in the chamber.

The deputies, among whom are some who were recently illiterate, are meeting at a time of the severest purge known in Russia since the Revolution, and they will have to deliberate and legislate upon very difficult problems.

Streets and squares of towns and villages throughout Russia were festively decorated with flags, placards and portraits of leaders and deputies to the Supreme Soviet. Music was played on streets and stadiums of Moscow all day long. Sports competitions were also held in many districts of Moscow.

Chairman of the Soviet of the Union Elected

Following a speech by Academician Bakh, at the proposal of the Chairman of Moscow Soviet, Deputy Sidorov, (who spoke on behalf of the group of deputies from Moscow, Leningrad and Kiev) the firm Bolshevik, Leninito—Stalinite member of the Political Bureau and Secretary of the Central Committee of the Communist Party of the Soviet Union, Andrey Andreyevich Andreyev, was unanimously elected Chairman of the Soviet of the Union.

First Joint Sitting of Both Chambers of the Supreme Soviet Opened in Kremlin

The first joint sitting of both chambers of the Supreme Soviet of the U.S.S.R. opened in Kremlin Jan. 15. Deputies and guests greeted with a storm of cheers, applause and exclamations the appearance in the boxes of Stalin, Molotov, Voroshilov, Kaganovich, Kalinin, Mikoyan, Chubar, Kossier, Zhdanov, Yoshov, Litvinov, Bulganin and Khruschev. The hall resounded to enthusiastic greetings to Stalin. The sitting was opened by Andreyev, Chairman of the Soviet of the Union.

Manchukuoan Officials Confer on Soviet Acts Against Consuls

Manchukuoan Government officials were conferring Jan. 11 concerning alleged "unwarranted oppression" by Soviet authorities of Manchukuo consular officials at Blagoveschensk and Chita. Charges of alleged oppression include shadowing of Manchukuoan consular officials by Soviet agents, official interference with purchases of necessities as evidenced by the arrest of tradesmen at Blagoveschensk who sold provisions to Manchukuo's consular officials. Other acts cited by the Manchukuoan officials were the restrictions on medical treatment and the arbitrary suspension of traffic between Blagoveschensk and Heiho.

Soviet's Coastal Fortifications Being Made Impregnable

Declaring that Soviet Russia's coastal fortifications are fast becoming as impregnable as the land borders, the Moscow *Krasnaya Zyezda*, organ of the Commissariat for Defense, Jan. 13 editorially revealed that an "outstanding enlargement" of the Soviet Baltic, Pacific and Black Sea fleets has been carried out to improve its defense system.

Stalin Discusses Possible Intervention of Soviets in China

The question of an eventual intervention of the Soviet Union in favor of China during the coming spring is being discussed between Stalin and the marshals of the Red Army, a recent report from Warsaw stated. Marshal Blucher recently arrived in Moscow for this purpose and it is stated that Marshal Voroshilov as War Commissary and Marshal Yegerov as chief of staff as well as other high officers attended the conference.

Sun Fo Enroute to Moscow—Confers with Chinese Envoys at Amsterdam

The Chinese envoys to Great Britain, France, Belgium and Holland, who after meeting in Amsterdam where they had assembled to greet Sun Fo, President of the Legislative Yuan, departed to their respective stations Jan. 16. The results of the Amsterdam deliberations were kept a close secret. Sun Fo is en route to Moscow, where he will represent the Chinese Government in negotiations with the Soviet authorities.

Save-a-Life-a-Month Club Gets Many New Members

Showing a deep interest in the relief work of the Shanghai International Red Cross and desiring to have a share every month in helping the multitudes of war refugees, many Chinese and foreign residents in the city have joined the Save-a-Life-a-Month Club. Organized but two weeks ago, the Save-a-Life-a-Month Club has already secured many prominent members.

Shanghai Japanese to Get Grant of Yen 10,000,000 from Tokyo

Supplementary estimates for Yen 10,000,000 to be used for the relief of Japanese residents driven from their homes in China by the outbreak of the current hostilities will be submitted to the Diet, when it reopens on Jan. 21.

Of this amount, a half will be given outright to enable Japanese to return to China and set up their former homes and business. The remainder will be advanced on low interest to those who will need funds to rehabilitate their enterprises, looted or destroyed since the outbreak of the incident.

Japanese Issue New Rules Cargo Removal from Area North of Creek

Detailed regulations, governing the removal of goods to the south side of Soochow Creek and the admission of Chinese workers to the area north of the Creek were issued by Lieut.-Commander Sashichiro Tadano, in charge of peace maintenance in the Hongkew district, Jan. 14.

Foreign-owned cargo will be allowed to leave the Hongkew and Yangtszepoo districts freely, on presentation of S.M.P. certificates showing the identity of owners. No Japanese escorts will be required.

Transportation of goods stored in Chinese warehouses, factories and wharves and at points of military importance will not, however, be permitted.

Foreign owners of cargo who desire to move it will be required to report the number of trucks and coolies to be used to Lieut.-Commander Tadano's headquarters, 170 Boone Road.

Japanese and foreign nationals employing Chinese as domestic help, workers, coolies or clerks will be required to make applications in duplicate, with two photographs of the men to be employed.

Japanese Authorities Handicapped in Shanghai by Representations of Foreign Powers?

Japanese authorities in Shanghai are working under "unbearable conditions" because of the representations filed by foreign powers there, Tatsuo Kawai, Director of the Gaimusho's information Bureau, told newsmen in an interview in Tokyo Jan. 13.

Mr. Kawai had just arrived in Tokyo from Shanghai, were he made a two weeks' inspection tour. Upon his arrival he called on Foreign Minister Hirota and submitted a report on present conditions in China. Foreign powers are too often filing representations in Shanghai with the Japanese concerning "minor matters following dissipation of the balance of power of Shanghai as an international city," he told reporters.

Peace and order in the regions captured by the Japanese were, he said, being maintained through the efforts of the recently organized Peace Maintenance Commissions and the pacification campaign carried out by the Japanese. Criminals are being punished according to "a moral code," owing to the lack of written regulations, he declared.

Mentioned as noteworthy by Mr. Kawai was the movement being conducted by the Japanese Residents' Corporation of Shanghai for the relief of Chinese who suffered hardships in the hostilities.

Shanghai Cotton Industry Faces Serious Crisis as Result of "Special Tax"

The fighting having been removed from Shanghai, and raw cotton having arrived from Nantung and Yuyao, cotton mills in Shanghai are resuming operations. The *Sin Wan Pao* says that it appeared at first that the mills would enjoy good business for a time, but owing to the imposition of three dollars "special tax" for each bale of cotton in Pootung, in addition to the usual "consolidated tax" of $1.80 per bale, the mill owners are finding it very difficult to carry on business. It is believed that if the situation cannot be remediaed in some way, the mills will have to suspend operations again.

Autonomous Commission Is Established in Nantao

Two months after the occupation of Nantao by Japanese troops, an autonomous commission was formally brought into existence in the Native City Jan. 11. The inaugural ceremony was held at the Sicheng Primary School, Fenglai Road, Nantao.

Headed by Chen Yun, Chairman, and Ling Chi-tan, Vice-Chairman, the new Nantao governing body consists of 13 members.

In a manifesto read to the ceremony, Mr. Chen said his commission was created "to end privation caused by war and to help peaceful residents to pursue their daily tasks in happiness and prosperity."

The new organ, the manifesto said, will act as "the seed of a brighter future in Central China by freeing the people from the shackles imposed upon them by the National Government."

General Han Fu-chu Arrested and Taken to Hankow for Military Trial

General Han Fu-chu, once the virtual dictator of Shantung where he served concurrently as chairman of the Provincial government, pacification commissioner of the province and commander of the Third Route Army, was placed under arrest last week by General Li Tsung-jen, Kwangsi military leader and Commander-in-Chief of the Chinese forces on the Tientsin-Pukow Railway, on a charge of dereliction of duty.

General Han was sent to Hankow for trial by a military court. There are conflicting reports as to his fate. Some of the reports stated that he had already been executed.

General Yen Hsi-shan Also Detained?

General Yen Hsi-shan, former Pacification Commissioner for Shansi and Suiyuan, has been detained in Hankow at the same time General Han Fu-chu was arrested, according to a special message to the *Eastern Daily News*.

Suicide of Admiral Shen Is Rumored in Tsingtao

Rumors from Tsingtao Jan. 16 stated that Admiral Shen Hung-lieh, former Mayor, had committed suicide when threatened with execution for evacuating Tsingtao without resisting the Japanese advance. According to the reports, Admiral Shen killed himself with a pistol at Chucheng when he was unable to escape from the predicament in which he found himself after the desertion of Chinese troops west of Chucheng on Dec. 30.

Captain of Gunboat Chao-Hu Executed at Canton

Captain Fang Nien-tsu, commander of the gunboat *Chao-hu*, who was arrested by order of the Central authorities in November for dereliction of duty, was executed by shooting at Canton, Jan. 10. After trial by court-martial, Captain Fang was found guilty of deserting his post without adequate reason during an attack by Japanese warships off the coast of Kwangtung.

District Magistrate of Luho Executed

For embezzlement of public funds, Chen I-chu, District Magistrate of Luho, in western Kiangsu, was executed by shooting at Tsingkiangpu, provisional seat of the Kiangsu Provincial Government, in northern Kiangsu, Jan. 6. Following the occupation of Luho by the Japanese forces, Magistrate Chen proceeded to the Kiangsu Provincial Government at Tsingkiangpu on Dec. 22 and handed over $20,000 belonging to the Luho District Government. It was discovered the next day however that he had secretly withheld another sum of $21,000 belonging to the District Government. Magistrate Chen was immediately arrested and, after due trial, was found guilty of embezzlement of public funds. By order of General Chiang Kai-shek, President of the Military Affairs Commission, the delinquent official was executed.

An unconfirmed report from Honan says that Hsiao Chen-ying, ex-mayor of Tientsin and a leading figure of the Hopei-Chahar political council under General Sung Che-yuan, was arrested at Hsinhsiang, North Honan, and beheaded for high treason on December 20.

General Liu To-chuen, commander of the Three Eastern Provincial troops in the Soochow sector, and General Wan Fu-lin, who headed the defense in a western Shanghai sector last October, have been court-martialed and put to death under an order issued by Generalissimo Chiang Kai-shek, the *Social Daily News* reported this week.

Overseas Chinese Receive Military Training

More than a thousand overseas Chinese youths, who have returned to China to participate in the campaign of resistance, are receiving military training at the Nanning (Kwangsi) branch of the Central Military Academy. Many Mohammedan youths from Yunnan, Kweichow, Hunan and Hupeh are also enrolled in the Nanning academy.

Commencement Exercises for Szechuan Students Undergoing Military Training

Commencement exercises for thousands of senior students who have completed the course of military training were held in Chungking Jan. 9. The importance of the occasion was indicated by the attendance of Teng Han-hsiang, acting Chairman of the Szechuan Provincial Government, Messrs. Chiang Chih-cheng and Ho Pei-heng, Provincial Commissioners of Education and Reconstruction for Szechuan, and Major-General Han Jen-min, Director of the Military Affairs Bureau of the Pacification Headquarters for Szechuan and Hsikang.

New Chairman of Kweichow Institutes Purge of Officialdom

With a view to eradicating official corruption in Kweichow, a purge of officialdom is being carried out in the province by order of Wu Ting-chang, the new Chairman of the Kweichow Provincial Government.

Several officials suspected of corruption—including Liu Tien-ta, District Magistrate of Chinyuan, Wu Shu-jen, District Magistrate of Chihsien, and Sung Szu-chiao, a section chief of the Provincial Department of Finance—are being detained at the Peace Preservation Headquarters for questioning.

Under the auspices of the Kweichow Provincial Party Headquarters, a movement has been launched for the promotion of thrift among public functionaries. Those whose monthly salary is less than $90 are required to save at least 4 per cent thereof, while those whose salary exceeds $100 per month are required to save 15 per cent thereof. The money saved will be contributed to the Government to augment its war chest.

Foreign press reports that Dr. Wellington Koo, Ambassador to Paris, would return to China shortly to take up another appointment, were denied in official quarters in Hankow.

Kuo Mo-jo, well-known writer, arrived in Hankow Jan. 3 from Canton by the Canton-Hankow Railway. It is understood that he will be appointed Secretary-General of the Political Training Department of the Military Affairs Commission.

Chen Ti-cheng, Provincial Commissioner of Reconstruction for Kansu, proceeded from Lanchow to Tihua, the provincial capital of Sinkiang, by airplane, Jan. 11.

Gen. Liu Wen-tao, Chinese Ambassador to Italy, returned to Hankow Jan. 14 from Rome via Hongkong, by air. In Hankow he will call upon Dr. Wang Chung-hui, Minister of Foreign Affairs.

Generals Yen Hsi-shan and Feng Yu-hsiang, who recently commanded Chinese forces in Shansi and on the Ping-Han Railway front respectively, have been appointed members of the Military Affairs Commission. With General Chiang Kai-shek as Chairman, the Commission will include the following new members: General Li Tsung-jen of Kwangsi; General Chen Chien, Chief-of-Staff; Admiral Chen Shao-kuan, former Minister of Navy, and General Li Chi-sen also of Kwangsi.

Wu Chung-hsin, newly appointed Director of the Department of Higher Education of the Ministry of Education, assumed office Jan. 12.

Gen. Chen Chi-tang, former Commander-in-Chief of the Kwangtung forces, has been appointed a member of the State Council, taking the place of the Panhsen Lama (the "Living Buddha"), who died recently.

Confucius' Descendant Welcomed at Hankow

Kung Te-cheng, the 74th direct-lineal descendant of Confucius and Sacrificial Official for the Confucian Temple at Kufow, the birthplace of Confucius in Shantung, was welcomed in Hankow Jan. 12 at a formal reception jointly given by the Hankow Office of the 6th Department of the Military Affairs Commission and the various cultural organizations in Wu-Han.

Tsao Ju-lin, one of the most famous figures in Chinese political life a decade ago, conferred with Wang Keh-min, Chairman of the Executive Commission of the New Provisional Government, on a wide range of problems in Peiping Jan. 8.

American Missionaries Return to Sungkiang

In the first trip made to Sungkiang since the Japanese occupation of that city, four American missionaries left Shanghai last week. These four men who took the trip are Bishop Arthur H. Moore, of the Methodist Episcopal Mission, South, the Rev. J. H. H. Berckman, the Rev. W. B. Burke and the Rev. R. T. Henry of the same mission. Following negotiations conducted with S. Okamoto, Japanese Consul-General, the missionaries were given passes which would insured their safe passage to and from Sungkiang.

One of the chief mission centers near Shanghai, Sungkiang, before it became a war area, had many foreign workers.

The Methodist Mission, South, has two churches in Sungkiang in addition to the Susan B. Willson Girls' School and the headquarters for the mission's adult education program. The Rev. Mr. Berckman and the Rev. Mr. Burke were formerly stationed in Sungkiang.

The special Shanghai International Red Cross committee on surrounding areas, under the chairmanship of Dr. Y. Y. Tsu, has completed plans for sending mission workers to the various cities near Shanghai to take part in refugee relief work. Although the organization of various parties which are assigned to different cities has been completed, the committee has not yet obtained the necessary permits to allow the relief workers to visit the towns.

Y.M.C.A. Club Houses Bring Cheer to Chinese Soldiers

Among a thousand and one things which are being done by the Chinese Y.M.C.A. in assisting the nation to cope with the grave situation of alleviating the lot of refugees and wounded soldiers, perhaps the most spectacular feature in its whole program is the creation of a string of "soldiers" club houses." These club houses, though new and unique in China, are rapidly winning fame as an indispensable war-time institution which gives spiritual and mental comforts to expeditionary soldiers and their wounded brethren, says Cheng Nan-wei in a letter to *The Review*. The soldiers' club houses, or soldiers' recreation centers, were first started by the national Y.M.C.A. workers in Paoting, Taiyuan and other North China cities immediately following the Lukouchiao clash which precipitated the present war. Toady, not only are they found in the war fronts; they also abound in the ospitals for wounded hin the rear.

Misdeeds of American Seamen Recorded in Report by Consul-General Gauss

Publication in Washington Jan. 16 of a Senate Commerce Committee report on secret hearings conducted recently revealed a dozen reports by United States consuls abroad deploring the lack of discipline in the American merchant marine.

A report dated July 2 by Clarence E. Gauss, Consul General in Shanghai, was typical. In it, Mr. Gauss wrote: "I have the honor to bring to the attention of the Department the serious, not to say deplorable, lack of discipline prevalent on American merchant vessels touching Shanghai. The almost complete lack of a sense of responsibility and discipline among American seamen has made American shipping almost a laughing stock in this country . . . These conditions as yet are largely confined to vessels whose crews are shipped in Pacific Coast ports."

It was learned that the hearings covered the charges that, firstly, some operators hesitate strictly to enforce the maritime laws, secondly, that some seamen are Communistic, thirdly, that one captain during the last two years had "seen discipline vanish entirely, and the elevator boys trap young girls in the elevators between decks to make advances."

America Contemplates Legislation to Exclude Alien Fishing-Boats

President Roosevelt, it is stated in well-informed quarters in Washington has requested the passage of a bill to effect the gradual elimination of Japanese and alien fishing-boats from American waters. The bill was introduced at the special session of Congress last month by Senator Royal S. Copeland, Democrat from New York and chairman of the Senate Commerce Committee. The State Department is also reported to be backing the measure, which will strengthen the provision that fishing-boats exceeding five tons must be American-owned and operated.

Extra Appropriations by U. S. for Arms Will Make Balancing of Budget Impossible

Fifty outstanding American business leaders will meet President Roosevelt on January 19 to discuss the possibility of cooperaitve efforts towards recovery, it was announced in Washington Jan. 12 by Daniel C. Roper, Secretary of Commerce. Practically the entire personnel of the Business Advisory Council will attend the conference.

There is a growing belief in Washington official circles that large appropriations would be necessary soon for defence, for agriculture and for unemployment relief, and it was strongly indicated that the Government will be forced to spend at least U.S.$350,000,000 above the budget forecast.

Congressional sources said that they had received hints that the President, who was shortly to send a national defence message to the Capitol, might ask for U.S.$150,000,000 to U.S.$200,000,000 over and above the defence allotment under the budget recently submitted to Congress.

U.S. Gold Imports Increase in 1937

The U. S. Department of Commierce revealed Jan. 13 that gold imports to the United States during 1937 totalled U.S.$1,631,523,000, an increase of Y.S.$487,406,000 over the sum for 1936.

Congressman Taber Opposed to Silver Purchase Fund

John Taber, Republican Representative from New York, announced in the House of Representatives from Jan. 13 that he would offer amendments to the Treasury Appropriation Bill to eliminate appropriations for Government silver purchases, which he described as a "raid on the Federal Treasury."

Stanley Reed Selected by President Roosevelt as Supreme Court Judge

President Roosevelt Jan. 15 nominated Stanley Reed, special assistant to the Attorney General and staunch defender of the New Deal before the Supreme Court, for appointment to the Supreme Court to succeed Associate Justice George Sutherland.

Commissioner Paul V. McNutt to Confer with Admiral Yarnell in Shanghai

A telegram from Washington Jan. 14 indicated that Paul V. McNutt, United States High Commissioner to the Philippines, will visit Shanghai on a tour of inspection of American interests in the Far East before leaving for Washington to report personally to the President. Mr. McNutt will make the trip to Shanghai aboard an American warship to confer with Admiral Harry Yarnell, Commander in Chief of the U.S. Asiatic Fleet, and other high Americans in China before taking a *Clipper* plane to the United States, it was said in Washington.

Mr. McNutt's expected visit to Shanghai will be made following a trip to Davao to observe the Japanese situation there at close hand. Mr. McNutt, in his visit to Davao, investigated Japanese land holdings upon a request for information directly from Washington.

Washington officials, it was understood, requested the High Commissioner to investigate conditions at Davao, leading port of Mindanao, second largest island in the Philippines group, after reports that the area was developing into a miniature "Japanese Empire."

Much Significance Attached to Forthcoming Courtesy Calls of U. S. Warships to Singapore

The American light cruisers *Memphis*, *Trenton* and *Milwaukee* will pay a courtesy call at Singapore after their forthcoming visit to Sydney, Australia, with the U.S.S. *Louisville*, the U.S. Navy Department announced in Washington Jan. 13. The American warships ostensibly will participate in the opening of the New Singapore naval docks on February 11, but some observers in Washington considered the visit particularly significant in view of the crisis in the Far East.

Other observers recalled reports, which never have been officially denied, that in the event of duty in the Orient, the American fleet might be invited to base at Singapore. It was pointed out that although American warships previously had made routine visits to Singapore, this is the first time American ships have been ordered to make a special call at the strong British base.

Huge Singapore Naval Base to Be Officially Opened Next Month

Great Britain's bulwark against Japan, the $50,000,000 naval base in Singapore, which is one of the most colossal and powerful fortress-base combinations in the world, will be officially inaugurated on February 11 by Sir Thomas Shenton, governor of the Straits Settlements, with representatives from Australia and New Zealand participating.

The ceremony will begin with the opening of a new 50,000-ton graving dock where enough fuel will be stored to supply a large fleet for six months. The ceremony will climax with a huge combined land, naval, and aerial demonstration in which more than 10,000 troops, 25 warships, and hundreds of planes are to take part.

The ceremony will stress the importance of Singapore as the strategic keypoint in the whole Britain imperial system.

The war games, which are to be climaxed February 11, will begin on January 31, thus allowing the combined forces ample time to demonstrate their strength.

Salvaging Operations on U.S.S. "Panay" Are Abandoned

The U.S.S. *Oahu* and the tug *Sagey* end of last week completed their work of examination of the hulk of the U.S.S. *Panay*. The two American warships have in the meantime returned to Shanghai.

The divers, who had been working under very bad conditions, reported that the *Panay* is lying on her side in sand and mud which reaches almost to the super-structure and that several feet of sand are in the compartments. Investigations show that the bridge structure, engine room, super-structure and aft are destroyed or badly damaged, that there is a hole 14 inches in diameter in the main deck, another hole 7 feet in diameter in the bottom, and the bottom plating is also cracked. Under these circumstances it is considered that it would be inadvisable to try to salvage the vessel, therefore further salvage operations will not be attempted.

The divers recovered a portion of the movable material aboard the vessel when it went down. The paymaster's safe, official papers and a small part of the personal property of the officers and men have been recovered. The recovered property was brought to Shanghai.

Ending a month's campaign for popular contributions to aid the victims of the bombing of the U.S.S. *Panay* by Japanese naval aircraft, the Tokyo *Nichi-Nichi* and Osaka *Mainichi* Jan. 12 made public the disposal of the Yen 7,800 fund. Nine-tenths of the amount collected, the dailies announced, were handed to Joseph C. Grew, American Ambassador, for distribution among the American victims of the bombing. The remainder was handed to Signor Auriti, Italian envoy, for transmission to the family of Sandro Sandri, correspondent of *La Stampa*, who was killed on the American warship.

Sino-Soviet Railway to Be Built in North-West

To facilitate the transportation of military supplies to China from Europe, it is reported from Sian that plans have been mapped out for the construction of a railway linking the North-western provinces with Soviet Russia.

It was first planned to construct the railway from Hankow to the border of Soviet Russia via Shensi, Kansu and Sinkiang, but in view of the extension of Sino-Japanese hostilities, it is now planned to start the railway from Chungking, the provisional seat of the National Government in Szechuan, via Chinghai (Kokonor) and Sinkiang.

Kuo Min understands that the materials for the construction of the railway will be furnished by Soviet Russia, in the form of a construction loan, which will be secured on the receipts of the railway. The loan will bear interest at 4 per cent per annum, but no interest will be paid during the duration of the Sino-Japanese hostilities, it is stated.

Outstanding Events in the Sino-Japanese War

A DAY-TO-DAY SUMMARY

First installment of this day-to-day summary constituting a complete record of outstanding events in the Sino-Japanese war on all fronts appeared in the September 11th issue of The Review.

Dec. 13.—Defenders of Nanking, after withstanding Japanese attacks for a week, evacuated on orders from General Chiang Kai-shek. Withdrawal was orderly and completed before Japanese forces entered the city. General Chiang declared withdrawal did not mean end of resistance. Japanese troops claimed capture of Pukow December 12; also landed north of the Yangtse opposite Chinkiang.

Dec. 13.—Messages received at Shanghai, that **U.S.S. Panay** bombed and sunk December 12 by Japanese planes near Hohsien, Anhwei, 50 kilometers upriver from Nanking. 15 persons known to have been injured, some fatally. Seven rescued by British warship, **Bee.** Also three Standard Oil Company ships bombed and damaged. Japanese offered profuse apologies to American officials.
Chinese authorities at Hankow wired Anhwei Provincial Government to give every possible aid to **Panay** survivors.

Dec. 13.—Following an attack on British warships and merchantmen by Japanese field batteries and machine-gunners at Wuhu December 12, H. I. Prideaux-Brune, H. M. Consul at Nanking, Lieutenant-Colonel Lovat-Fraser, British Military Attache, and Flag Captain G. E. M. O'Donnell went ashore to lodge a protest with Colonel Hashimoto, senior Japanese officer in the Wuhu area. Colonel Hashimoto replied that he had orders to fire on every ship on the Yangtse, but admitted that the firing on the British gunboats—H.M.S. Ladybird and H.M.S. Bee—was a "mistake."

Dec. 13.—Some 30 Japanese sailors landed December 11 at Patkok within British territorial borders near Hongkong allegedly to pursue a Chinese junk crew, according to Hongkong police reports.

Dec. 13.—North of Soochow Creek Areas at Shanghai to be re-opened to foreign residents December 15, Japanese military authorities announced.

Dec. 13.—Tangyi, 80 miles west of Tsinan on the northern bank of the Yellow River, and Yuhsien in eastern Shansi reported recaptured by Chinese forces.
Loyang in Honan and Sian in Shensi bombed by Japanese December 12.

⁂

Dec. 14.—Four persons reported dead and 13 wounded in bombing of **U.S.S. Panay,** and Standard-Vacuum tankers according to confirmed reports. The dead were:
Captain T. H. Carlson, of Waterbury, Conn., captain of the Socony cargo ship, Meian.
Sandro Sandri, Italian journalist.
Charles L. Ensminger, storekeeper first class, of the Panay.
One unidentified person, believed to be a bluejacket.
Among the wounded were:
James Marshall, **Collier's National Weekly** correspondent, wounds reported slight.
J. F. Vines, of the British-American Tobacco Company, slightly wounded.
Lieutenant-Commander J. J. Hughes, captain of the Panay, seriously wounded.
Lieutenant A. Anders, executive officer of the Panay, seriously wounded by machine-gun bullets and shrapnel.
J. Hall Paxton, of the U.S. Embassy, slightly wounded.

Dec. 14.—American gunboats on the Yangtse River would not be withdrawan, declared Admiral H. E. Yarnell, Commander-in-Chief of the United States Asiatic Fleet. Statement issued in refutation of reports that the American gunboats would be withdrawan at the request of Japanese authorities.

Dec. 14.—Japan thought likely to shift war to Suoth China. Concentration of naval force in South said indicating move. Japanese drive up Yangtsze to Hankow thought unlikely.
Hangchow believed next Japanese objective in Chekiang.

Dec. 14.—New puppet regime established in Peiping, styled "Provisional Government of the Republic of China." Tsao Kun, ex-Chihli warlord, said slated for presidency.
Survivors of former Anfu clique would play prominent roles. Peiping renamed Peking.

Dec. 14.—Two leading Chinese dailies in Shanghai, the **Ta Kung Pao** and the **Shun Pao** suspend publication. **Ta Kung Pao** published farewell message asking Chinese readers "not to lose spiritual courage."
Japanese censorship office for Chinese papers starts functioning at Shanghai.

Dec. 14.—Following recapture of Tangyi, 80 miles west of Tsinan, Chinese forces luanch counter-offensive in northwest Shantung.

⁂

Dec. 15.—74 survivors of the **U.S.S. Panay** left Hohsien for Shanghai aboard the **U.S.S. Oahu** and **H.M.S. Ladybird** escorted by two Japanese gunboats.
Three foreign dead and 16 wounded, four seriously, were final figures of casualties of Panay bombing, issued through the offices of Admiral H. E. Yarnell.
The dead were:
Sandro Sandri, Italian journalist.
Charles L. Ensminger, storekeeper first class of the Panay.
Captain C. H. Carlson, master of the S.S. Meian, Socony vessel.
The seriously injured were:
James Marshall, Collier's shrapnel wounds to neck, shoulder and abdomen.
Edgar W. H. Hulsebus, coxswain (died later).
Carl H. Birk, electrician's mate, first class, gunshot wounds to the back.
Kenneth J. Rice, electrician's mate, third class, abdomen wound.
Those slightly wounded were:
J. F. Vines, B.A.T., severed tendon and shock.
E. Gassie, of the American Embassy, leg injury.
Lieutenant Commander J. J. Hughes, master of the Panay, broken leg.
Lieutenant G. F. Ander, executive officer, **Panay,** gunshot wound in the neck.
Lieutenant (jg) J. W. Geist, assistant engineering officer of the **Panay,** slight wounds believed to be in the shoulder.
Raymond L. Browning, electrician's mate, third class, slight wounds.
Newton L. Davis, fireman, first class, suffering from shock.
Cecil B. Green, seaman, first class, slight wound.
Alex Kozak, machinist's mate second class, wounds to the chest and legs.
John H. Lang, chief quartermaster, cuts to the face and chest.
Charles S. Shroyer, seaman, first class, wounds in the leg and abdomen.
According to Malcomb MacDonald of the **London Times, who** was aboard the U.S.S., **Panay, the ship** was machine-gunned by two Japanese motor launches before it sank.

Dec. 15.—Japanese troops claimed capture of Yangchow, opposite Chinkiang, December 13.
Heavy Japanese troop movements in Chekiang foreshadowed imminent drive on Hahgchow.

Dec. 15.—Over 300 Japanese planes shot down between August and end of November, according to official Chinese report issued at Hankow.

Dec. 15.—O. K. Yui, Mayor of Shanghai and David Kung, son of Dr. H. H. Kung appointed members of Board of Directors of the Central Trust Bureau.

Dec. 15.—"China willing to accept assistance from Powers, but resistance to Japanese invasion will continue in any case," declared Shao Li-tzu, Publicity Director of Chinese Military Council at Hankow.
Official circles in Hankow declared that fall of Nanking would not modify China's determination to continue resistance.

Dec. 15.—General Iwane Matsui issued proclamation Nanking, December 14, asking civilian population to return to homes, "Where your ancestors lived and prospered."

⁂

Dec. 16.—30 Chinese Divisions will stem Japanese drive into Central China along 350-kilometer semi-circle front running from Yangchow via Anhwei to Chekiang, declared Chinese spokesman at Hankow.

Dec. 16.—Shanghai Municipal Council issued proclamation, urging all persons, except those exempted, in possession of arms to declare same to police before January 1, 1938.

Dec. 16.—Foreigners who remained in Nanking during the seige, 18 Americans, 6 Germans, 2 Russians, 1 Briton, reported safe. Approximately 150,000 Chinese living in so-called "Safty Zone" in Nanking.

Dec. 16.—"No matter how the present situation may change, we must not surrender but march onward," declares General Chiang Kai-shek in a manifesto to the nation from his field headquarters. "To capitulate would be to court sure national disaster." No.

matter how the international situation turns, we should do our utmost and should not be too ready to register disappointment. We must not depend on others. With a mandate from the Party and the Government, I have pledged myself to unswerving pursuance of this course."

General Chiang said Chinese Army casualties exceeded 300,000, the losses in men and property being "unprecedented in history of the country."

Dec. 16.—Fighting continued at Pukow and Chekiang, both sides consolidating respective positions.

Dec. 16.—Wang Keh-min, Chairman of the Administrative Commission of the so-called "Provisional Government" in Peiping, announced taking over of customs at Tientsin and Chingwantao by new regime.

Kao Ling-wei appointed Mayor of Tientsin, and Kiang Chao-chung Mayor of Peiping.

Dec. 16.—T. V. Soong arrived at Canton from Hongkong, December 14.

Dec. 16.—Japanese troops in north resume operations, attack aimed at Changteh, Honan, and Tsinan, Shantung.

Japanese Electrical Industrialists Come to China to Make Survey

Nine leading figures in the Japanese electric power industry arrived in Shanghai this week to begin a survey of the electricity enterprises in Central China. Sometime before the end of the month, the officials will be joined by a group of 20 technical experts.

The party a includes the following: Eiichi Okabe, managing director of the Tokyo Electric Light Company; Soichi Matsune, Secretary-General of the Japan Electric Power Industrialists' Federation; Kanichi Magai, managing director of the Hiroshima Electricity Company; Ryuchi Seki, of the Daido Electric Power Company; Tetsuo Shimazaki, of the Toho Electric Power Company; Hideo Tsuji, of the Ujigawa Electric Power Company; Hiroshi Uwazuma, managing director of the Kumamoto Electricity Company, and Motoo Tsuda, of the Japan Electric Power Company.

The visit of these Japanese electrical industrial magnates to China coincides with pressure being brought upon private capital by the Government in Japan. The Japanese Government, among other projects, plans to nationalize the electrical industry.

A report from Tokyo Jan. 14 stated that officials of the National Planning Board had submitted to the Cabinet a momentous Four-Year Program of Replenishment of National Resources.

Then also the socialization policies of the Japanese government may have something to do with the desire of Japanese industrialists to find an outlet for their capital in China.

The executive committee of the Tokyo Transport Workers' Union Jan. 13 expelled more than 30 members who were arrested in last month's police raids for alleged violation of the Peace Maintenance Ordinance. In a statement issued simultaneously, the committee abjured class warfare and advocated conciliation and co-operation between workers and employers. The Japan Council of Trade Unions had also gone on record in favor of putting an end to strikes and promoting industrial co-operation.

Ministry of Economics to Establish Cooperative Treasury in Kweichow

The Ministry of Economics, which was recently created following the abolition of the Ministry of Industry, has decided to establish a Cooperative Treasury (*Ho-Tso Chin-Ku*) in Kweiyang, provincial capital of Kweichow.

Carl Crow Declares Japanese Will Never Conquer China

Japan's war machine (says the St. Louis *Post Dispatch* of Nov. 28) never will conquer the Chinese—take that from a man who, though a native Missourian, has studied their character and philosophy for a quarter of a century. The Japanese war machine will in all probability defeat the Chinese in the current war, Carl Crow, Shanghai advertising man and author, who was on a visit to relatives in St. Louis, told the St. Louis paper. But conquer the nation and the people—never! The Chinese, he predicted, eventually will win. It may take 100 or 200 years, but they don't mind waiting.

The St. Louis paper said the name Crow has come to mean in China what Hoyle does to American card players. Because poker in many diverse forms was popular in China a number of years ago, an American card company commissioned him to write a book of standard rules. Now the Chinese play according to Crow. The fact that they play it so well, he thinks, may be applied to his prophecy that China eventually will resist Japan successfully. The Chinese learn fast, they are good gamblers, and while planning for victory they always prepare for defeat.

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Many A Despondent, Anaemic Girl

is filled with regret each time she looks into the mirror, regret that her face is drawn and sallow, her lips and cheeks are pale, her eyes lack lustre, and her figure is thin and angular. Moreover, the anaemic girl suffers from headaches, is quickly tired even

after taking

light exercise, and sometimes she is on the verge of despair when the various treatments she has taken have failed to do her good.

What is needed in all such cases is a reliable tonic to build up and enrich the blood, for which purpose none can be more highly recommended than

Dr. Williams' Pink Pills.

A short course of this ideal tonic remedy usually produces a remarkable change. The cheeks fill out and gain colour, the lips become red, the eyes sparkle, pleasing curves adorn the hitherto scraggy figure, appetite improves and the nerves are strengthened. A new feeling of vibrant health pervades the whole being. The despondent sufferer

has become

positively pretty, she looks well and feels well.

Dr. Williams' Pink Pills impart new energy and strength by rapidly increasing the haemoglobin and red corpuscle content of the blood bringing fresh supplies of oxygen and iron to revitalize the whole system.

Equally good for ailing, run-down men and women at all stages of life; chemists everywhere sell Dr. Williams' Pink Pills, the tonic which has helped to make many

A Radiantly Happy, Healthy Girl.

RECONSTRUCTION OF WEST CHINA SPEEDED UP BY WAR

(*Continued from page 209*)

doors with scrolls and paintings in red in which popular sentiments are expressed and, while some slogans appeared to be quite common, they were nevertheless wholly true.

Some have posted on the sides of their doors scrolls reading: "In national, territorial defense, there is no difference as to east, south, west, or north"; and "As individual, personal service, something must be offered by every man, woman, young, and old." The Szechuen Government is not going to let the people only talk, and during 1938, a sum, to be exact, $1,319,840, will be devoted to promote social, or mass education, especially in training the public for patriotic works.

To strengthen the force of popular education, the *Hsin Min Pao*, a well-known daily from the deserted Nanking, will be published in Chungking within January, and Miss Hsieh Ping-ying, a noted Chinese woman writer, has been engaged to be its magazine editor.

In a way, people in Szechuen, long considered as exclusive among others in China, are not so backward as believed; and in Chungking, there has been a public crematory in existence for some time, perhaps due to necessity. In the past 18 months, the charitable institutions here had to provide coffins for 13,370 who died in poverty.

Chengtu, the provincial capital of Szechuen, is replacing Peiping as the centre of education, for which the old national capital has been known for some years because of its large number of schools of higher learning. Since the Sino-Japanese War started with the Battle of Lukowchiao middle of July last, the National Peking University and the Peiping National University have removed themselves from enemy interference and settled down in Sian, Shensi, instead. Lately, it has been reported that they would again move, this time to Chengtu, where there is now a Section of the University of Nanking, originally of the southern capital. Before the arrivals of refugees from the war zone, Chengtu has already had established the West China University and the Szechuen National University.

In Chungking, since the war, have arrived teachers and students of the National Central University of Nanking, the Fuh Tan and the Ta Hsia University of Shanghai.

To be stationed for the time being in Wanhsien, another Szechuen port, will be the Shantung University of Tsinan and others,

The Central University now located within the campus of Chungking University is offering some special courses useful in war-time, and among them are artillery science and tactics, wireless telegraphy, international publicity, and other practical subjects.

Since early January, more than 7,000 university and middle school students, including 600 girls, have been mobilized for a month of intensive military training, including field operation for boys and nursing for girls. All girls enrolled are volunteers, while the boys participate by order.

The junk traffic of Chungking, once as famous as that in Canton but lately beginning to be considered as remnants of relics because of fast increase of motor boat and steamship service, may soon be revived on account of circumstances, including the shortage of fuel oil and the inability of the modern of communications to meet the present heavy demand. The transportation department of the Military Affairs Commission is now calling for a conference at Kunming, Yunnan, to study the possibility of again encouraging the water courses connecting the provinces of Hupeh, Kiangsi, Hunan, Szechuen, Kwangtung, Kwangsi, Yunnan, and Kweichow. The Szechuen Conservancy Board will delegate representatives to the meeting, who are expected to be at the Yunnan provincial capital before the middle of January.

So that the more valuable products of Szechuen and vicinity may be exported abroad the Military Affairs Commission office here is assigning 30 to 40 motor trucks for the Chungking-Kunming service by way of Kweiyang in order that goods may be shipped to Haiphong by the Indo-China Railway from Yunnanfu. The difficulty along the Canton-Hankow Railway has made it now quite uncertain these days for west China goods to reach Hongkong according to scheduled time, in spite of the efforts of the line to effect the bestim provement possible under present circumstances.

Beginning first of this year, the passenger tariff of the airline direct between Chungking and Hongkong has been increased; and on Dec. 31 last, the year-end trip from the south of the National China Aviation Corporation took up some 15 passengers, a record since its inauguration several weeks ago.

Unfortunately, local artificial barriers to rapid communication in the form of transit and consolidated taxes are still found in a number of places between Chungking and cities in or beyond Yunnan; and one of the excuses for not abolishing this obstacle to trade and transportation is that since these imposts have already been itemized in the provincial budgets some months ago, it would involve no little difficulty to the local administrations should the objectionable assessments be removed without provisions for their substitute.

Improvement on means of communications would not only confer a blessing to trade but also to social, or mass education. The Chungking Young Men's Christian Association, with the support of the local Methodist Mission, is going to have a car along the Chengtu-Chungking Public Highway, stopping over at stations to promote extension courses in various subjects of popular knowledge through lectures and demonstration. An effort will be made to bring knowledge to the mass.

Since the beginning of 1938 the south and the north bank of Chungking have been connected by steam ferry service, partly replacing the motor launches and sampan traffic.

Even before the war, General Chiang Kai-shek, chairman of the Military Affairs Commission, saw the necessity of improving the navigation along the upper Yangtsze; and as demanded by circumstances obvious these days, the Provincial Government of Szechuen has decided to strengthen its Conservancy Board with stronger personnel in experts and engineers.

As there is a demand for civil as well as military airmen, the Central Aviation School is calling for 600 candidates for admission to its various departments.

Chungking, January 5, 1938.

THREE LEADERS OF SZECHUEN

General Liu Hsiang, chairman of the Szechuen provincial government is in the center in civilian attire. On the left is Gen. Sun Teh-chao, well known military leader, while on the right is Gen. Teng Han-hsiang, chief secretary to the provincial government.

American Woman Sentced to Four Years' Imprisonment for Transporting Opium

Mrs. Margaret Florence Evers, 48-year old American, was found guilty in the U. S. Court for China Jan. 12 of having been found in possession of, and transporting, narcotics under Section 174 of the Harrison Act. Judge Helmick imposed a sentence of four years to be served the Federal Industrial Institute for Women, West Virginia.

J. B. Davies, defending the accused, asked Judge Helmick to suspend the sentence on the ground that it was her first crime and it would not do anybody any good in sending her to prison.

Districit Attorney Shields, prosecuting, said that it was very unusual for Mrs. Evers to accept so readily two suitcases from what she described as her former student without having had longer contact and longer conversation with him, and he believed that the accused had not told the entire truth. The District Attorney said the presumption was that there was no such student. Mr. Shields, asked where Mrs. Evers had got the money for her three pleasure trips to Anyang, travelling on one occasion in a first-class compartment, while she owed rent to one Wu and also owed money for some furniture in Peiping. It was not a pleasure trip, Mr. Shields said, but was to carry over 300 ounces of poisonous drugs.

Who's Who in China

De Senn Chang, army officer and pioneer Chinese aviator; born at Kaiping, Kwangtung, 1898; went to the United States at the age of 12 and brought up by the famous American educator, John William McClymonds; received his early education in Oakland, California; graduated from Virginia Military Institute in 1920, specializing in Infantry, and receiving the degree of B. Sc. in chemical warfare; graduated from the Diggin's Aviation School of Chicago in 1921; returned to China on order from Dr. Sun Yat-Sen, March 1921; between 1921 and 1924, served as flight instructor in the Nan Yuan Aviation School of Peiping with the rank of Major, officer of the Canton Air Force with the rank of Lieut.-Colonel, and squadron commander of the Yunnan Air Force with the rank of Colonel; re-visited America in 1924 for six months to do aeronautical research; returned to China in the latter part of 1924; between 1924 and 1926, served as adjutant general of the Canton Marine Corps, instructor in the Whampoa Military Academy, staff officer in the National Revolutionary Army Headquarters, and commander of the 2nd Engineering Battalion; transferred back to the Canton Air Force Headquarters as chief of military affairs, chief of staff office, commander of the air defence infantry regiment, and adjutant-general with the rank of Colonel and later promoted to the rank of Brigadier-General, 1927-36; travelled round the world to study modern aeronautical science, 1934; following the unification of the Air Forces of China, he led the entire Canton Air Force personnel of 1,500 officers and flying cadets to Hangchow; chief commanding officer of the cadet corps of the Central Aviation School at Hangchow with the rank of Colonel; address: C/o Chinese Military Headquarters, Hankow.

De Senn Chang (Chang Chi-hsuan)
張子璇

Mao Tseh-tung, military and political figure; born in 1893, in Shao Shan village, Hsiang T'an *hsien*, Hunan, of poor peasant family; studied Classics in local school, then graduated from Hunan Provincial First Normal School in Changsha; in 1917 founded "New People's Study Society" in Changsha; in 1918 went to Peking, working as assistant librarian to Li Ta-chao at Peking National University and attending classes there; in May, 1921, went to Shanghai to found Chinese Communist party, together with Chen Tu-hsiu and Li Ta-chao; in 1924 was concurrently member of Central Committee of Communist Party and of the Executive Committee of the Kuomintang in Shanghai; in 1925 went to Canton as editor of Kuomintang paper, *Political Weekly* and head of a Kuomintang Propaganda Department; then did peasant organizing work in Hunan; as President of All-China Peasants' Union, overthrew Chen Tu-hsiu as leader of Communist Party in 1927, and organized Hunan Autumn Corp Uprising in September beginning Red Army movement; Chairman of Party Front Committee of "1st Division of Peasants' and Workers' First Army" in 1927, and in 1928 made Political Commissar of 4th Red Army, (Chu Teh being commander), and in 1929 of "First Red Army Corps" of 10,000 men; then in 1930 of "First Front Red Army," in 1931 elected first Chairman of Central Soviet Government in Kiangsi, and re-elected until Soviet system was abolished in 1937; now Chairman of Military Council of 8th Route Army with headquarters at Yen-an, North Shensi; married first to Yang K'ai-hui, daughter of Peita (Peking University) professor, in 1920; after she was killed in Hunan in 1930, married Miss Ho Tzu-nien, school-teacher; author of many books and pamphlets on Marxism.

Mao Tseh-tung
毛澤東

PAINTS AND PAINT WORK

H. B. CAMPBELL

1481 Bubbling Well Road

Phone : 34360

In the United States Court for China

JOHN RIPPEY MORRIS, Plaintiff, vs. BERNICE THOMURE MORRIS, Defendant.	Cause No. 4291 Civil No. 2170 ORDER. Filed at Shanghai, China, this 12th day of January, 1938. William T. Collins, Clerk. E. J. Collins, Dep. Clerk

ORDER

The object of this suit is the dissolution of the bonds of matrimony between the parties hereto.

WHEREAS plaintiff herein, by his attorneys, has this 11th day of January, 1938, made application for the substitution of publication for personal service of summons upon the defendant herein; and

WHEREAS it appears from the files of this case that on the 11th day of January, 1938, the summons for the defendant was returned by the Marshal of the United States Court for China with the following noted thereon: "Defendant cannot be found within the jurisdiction of this Court"; and

WHEREAS it appears from the files of this case that on the 11th day of January, 1938, John Rippey Morris, the plaintiff herein, filed an affidavit to the effect that the defendant herein was not residing in the Republic of China nor has she been within the jurisdiction of this Court during the last six months previous to the 11th day of January, 1938.

NOW, THEREFORE, it is this 12th day of January, 1938 ORDERED that service upon the defendant be made by publication once a week for three consecutive weeks in the "China Weekly Review" a paper of general circulation most likely to reach the defendant.

IT IS FURTHER ORDERED that the defendant cause her appearance to be entered herein on or before the fortieth day, exclusive of Sundays and legal holidays, occurring after the 29th day of January, 1938, the day of the last publication of this Order; otherwise the case will be proceeded with as in case of default.

BY THE COURT.

MILTON J. HELMICK
Judge.
United States Court for China.

Men and Events

J. Cochet, general agent for the Messageries Maritimes in the Far East, has been named Chevalier of the Legion of Honor.

Wang Ching-wei, Chairman of the Central Political Council, will leave for France in the near future, recent messages from Hankow stated.

The headquarters of Japanese bluejackets in Hongkew have been moved to the building of the Public & Thomas Hanbury School for Girls on Hannen Road.

J. V. Crowe, general manager of the Ford Motor Car Company's interests in China, accompanied by Mrs. Crowe, returned to Shanghai last week after an extensive business trip to the United States.

Jiro Suzuki, manager of the branch office of the *Domei* News Agency in Taiyuan, was wounded by a bullet fired by a Chinese sniper near Tzeshin, along the Chengtai Railway, during the night of Jan. 13.

Miss Margaret Cecilia Talbot, of Birmingham, England and Alan Palamountain, well known local newspaperman in Shanghai were married at the Church of St. Pierre in Shanghai by Father Jacquinot Jan. 15.

The *Osaka Mainichi*, Jan. 9, published a report from Hankow stating that an American aviator, Frederick Kruesberg, had been shot down and killed while fighting a Japanese plane about 15 miles from Hankow.

Sir Frederick Whyte, formerly Political Adviser to the Nationalist Government of China, was appointed Jan. 14, Director-General of the English-speaking Union of the British Empire. The Union is being reorganized.

The *Shun Pao*, the oldest and one of the leading Chinese daily newspapers in Shanghai, which suspended publication on Dec. 15 last owing to refusal to submit to Japanese censorship, will resume publication in Hankow shortly.

The funeral of the late Hsiung Hsi-lin, former premier during the Peking regime and well-known philanthropist, was held in Hongkong Jan. 11. The burial was attended by prominent Chinese and foreign civic leaders in the colony.

Earl H. Leaf, formerly North China Manager of the *United Press* and recently in the Shanghai Bureau, departed Tuesday on the Corfu on a six months leave of absence and will visit New York via Suez and Europe, returning via the Pacific.

E. E. Mitchell, member of the firm of Butterfield and Swire, delivered an address on conditions in China before members of the China Committee of the British Parliament early in December. Mr. Mitchell was scheduled to sail for China this week.

An inquest over 13-year old Robert Mendoza, was held Jan. 15 in the United States Consular Court for China by Commissioner N. E. Lurton, who investigated the death of the young boy knocked down by a Japanese-driven truck on Park Lane, Shanghai, the previous day.

When the Chinese troops withdrew from Shanghai they destroyed many bridges, railways, and highways in the suburbs of the city. The Japanese authorities are now rebuilding and repairing bridges, roads, and railways in this area, the *Social Daily News* of Jan. 12 stated.

As the result of the Chinese police in Chefoo having staged a series of disturbances and allegedly engaging in looting., the U.S.S. *Marblehead* left Tsingtao at 11 a.m. for Chefoo to protect the eighty or so Americans living there, as there was no American warship in the port at the time.

Miss Susan Fowler, daughter of Mr. and Mrs. W. W. Fowler of Chicago, Illinois, was married to Robert G. Biesel, Jr., son of R. G. Biesel of Newport, Rhode Island, at an informal ceremony presided over by Judge Milton D. Helmick at the American Consulate-General Jan. 12.

Tu Yueh-sheng, well-known civic leader and banker of Shanghai, who has been on a trip to Hankow and Hongkong, is reported to be on his way back to Shanghai. A report from a secretary of Mr. Tu, however, stated that he was going to the South Seas, to open a new bank in connection with certain overseas Chinese.

Joseph Rinehart, 19-year old orphaned American boy who arrived in Seattle Jan. 17 en route to New York to visit his foster father, Lee Kwong, explained that could speak no English because he had been raised in a small Chinese village. Since infancy he had lived in Namhoi, up-river from Canton, he explained to a *United Press* reporter.

A society styling itself the "Shanghai Chung Hwa National Salvation Association" issued a circular last week stating that the municipal rates should be remitted for the time being; that the British who "have treated the Settlement as their own" should defray all expenses; and that the work of the various S.M.C. organs is "not worth the money paid them."

Led by Toshiyuki Hatakeyama, Managing Director of the Domei News Agency, eight leading journalists of Japan representing the Japan Newspapers' Association called on Japanese officials in Shanghai Jan. 15. The three other groups representing the Japan Newspapers' Association are carrying out their missions in North China on tours of the Tsinpu, Peking-Hankow and Peking-Suiyuan Railway areas.

L. M. Pharis, vice-president and general manager of the Shanghai Power Company, has returned to Shanghai from a month's trip to Hongkong and the Philippines.

Two American fliers, A. F. Sangster, pilot and Harold Walsh, mechanic, who were serving as instructors in the Chinese aviation school at Hankow, were killed on Jan. 4 when their pursuit plane crashed to the ground. The cause of the accident was not known. Previously it was reported but not confirmed that Sangster had taken part in an air duel with the Japanese on the same day.

Three Chinese were badly injured, when an unidentified person threw a bomb into the door-way of the *Hwa Mei Wan Pao*, an American-registered Chinese morning and evening newspaper. Jan. 16. The offices of the newspaper, are situated on Avenue Edward VII, on the south side of the road near Kiangse Road. The registered publisher of the paper is an American, H. P. Mills, who claims to own 60 per cent of the publication.

Several prominent communications officials and experts arrived in Shanghai from Japan last week for a brief stay of study. Included among them was Takeshi Kujii, Director of the Engineering Affairs Bureau of the Tokyo Ministry of Communications, who was accompanied by several assistants. Others were Yasuro Takeda and Eitaro Yokoyama, respectively managing director of the Japan Telegraph and Telephone Company and the Japanese Wireless Telegraph Company.

The United States Court for China Jan. 10 overruled the objections to the administrator's final account and report in regard to the estate of the late Frank Lewis Hough. The objections were to the effect that an automobile and a collection of ivories owned by the deceased were not held in joint tenancy by the latter and his wife, Mrs. Ella J. Hough, as claimed by the administrator. Judge Helmick issued an opinion to the effect that since the deceased left neither a will nor children his brothers and sisters share in his separate estate with the widow, under the laws of the District of Columbia.

Judgment against the defendant company, McDonnell and Gorman, Inc., was handed down in the U.S. Court for China in favor of Andersen, Meyer and Co., by Judge Milton J. Helmick Jan. 11. The judgment entailed U.S. $71,956.38, Hongkong $193.87, and Shanghai $138.65. Franklin and Harrington, attorneys for the plaintiff, brought the case into court claiming that on May 17, 1932, the firm of McDonnell and Gorman executed a mortgage in favor of the plaintiff covering machinery, equipment, furniture, fixtures, etc., and that although the sum was now long overdue and repeated demands for settlement had been made, these failed.

The issue of the American magazine *Life* for Dec. 6 contained pictures of the wedding at the Russian Orthodox Church in New York on Nov. 28 of the Russian Baron Charles Philip von Wrangell and Madame Lida Utgoff, both members of well known White Russian families. The Baron is a grandson of a czarist general while the bride is the daughter of a Russian admiral and widow of a Russian naval commander who joined the U. S. Coast Guard and was killed in an airplane accident. The report in *Life* stated there are now some 20,000 White Russians in the United States, most of whom reside in San Francisco and New York. Baron Wrangell is a perfume salesman in New York.

Two American aviators, Capt. Edwin C. Musick and Cecil G. Sellers, both well known in China, were among the victims of the Pan-American *Samoan Clipper*, which was lost in the vicinity of Pago Pago, Samoan Islands early Tuesday morning, Jan. 11. The U. S. Destroyer *Avocet*, which inspected the place where the plane disappeared on Jan. 13 reported the presence of small bits of wreckage and articles of clothing floating on the water, indicating the plane had been wrecked by an explosion. It was thought the gasoline supply had been ignited while the plane was disposing of excess fuel preparatory to landing on the sea. The *Clipper's* radio had "gone dead" somewhat similar to that of the aviatrix Amelia Earhart, who was lost with her plane in the same area of the Pacific last year. Other members of the crew of the *Samoan Clipper* were P. S. Brunk, Junior Flight officer; F. J. MacLean, navigator; J. W. Stickrod, first engineer; Y. J. Gindley, radio operator. The plane and most of the crew were formerly on the Manila-Hongkong route. Mrs. Sellers, formerly well known here as an officer of the American Women's Club, is now a resident of Manila.

Are You Subject To Colds?

Regular elimination of the waste materials from the body is the keynote of good health. Neglect of this vital function poisons the system and leaves you open to contract colds and other ailments.

To correct constipation avoid violent purgatives, which injure and weaken the digestive organs, and follow the example of the many men and women who are protecting their health by using Pinkettes when in need of laxative aid.

In a mild natural way Pinkettes cleanse the intestinal tract, restore regularity, activate the liver, dispel biliousness and sick headaches, sweeten the breath. They also clear away pimples and other skin blemishes, relieve piles. Protect yourself from colds and other ailments by taking an occasional dose of Pinkettes.

New Books of Interest in the Far East

Early Japanese History and a Shanghai Tragedy

Early Japanese History (c 40 B.C.—A.D. 1167) by Robert Karl Reischauer. Princeton University Press, 1937. 2 parts. U.S.$7.50 the set.

The Far East lost a scholarly historian on August 14, 1937, when the Sino-Japanese conflict in Shanghai caused a bomb to drop on Nanking Road near the Bund, snuffing out the life of Robert Karl Reischauer, among hundreds of others. The world of letters has suffered a woeful loss, for Dr. Reischauer had spent six years gathering material and equipping himself to write his book on Japanese history to 1167, planning to continue his monumental task and bring it up to the present day. His accomplishment in the present work is of intensive interest to the student of Far Eastern affairs. One can, with little effort, see how the present-day Japanese demand for expansion, territorial and economic, is but a natural result, clues to which are to be found in a detailed study of Japanese history such as Dr. Reischauer has written.

The first part of Early Japanese History was written in order to see if there are enough students of Japanese subjects who desire detailed information, even though they do not read Japanese fluently. Other volumes were to follow if a sufficient amount of interest was aroused.

The present work is divided into two parts. Part A includes a preface, an outline of early Japanese history, a chronological list of era names, sovereigns and high officials, diagrams and tables showing the organization of the government in the "Age of the Court Nobles," and a chronicle of events from mythological times to A. D. 1167. Part B, a temporary volume, contains a complete bibliography, explanation of the system of romanization used, the translation of Japanese historical terminology, maps, genealogies and Buddhist sects, Chinese character index, alphabetical index and glossary. The author's wife made the maps, indexed the work, and wrote the many thousands of Chinese characters included. The plan was to combine the indices of each volume produced into one index, to be expanded into a real dictionary of Japanese history from mythological days to the present.

The age of deities and legendary heroes is dealt with, not so much because of what truth they may contain, but because they were believed and taught by the ruling classes, were accepted in the people as true, thereby having a profound influence on Japanese history. The student of Japanese mythology is reminded that the writers of the books of myths were explaining and justifying the dominant position in society the Imperial Family and its allied clans assumed. All important Deities (Kami) are thus brought together by the writers of the books of myths to appear in the genealogy of the Imperial Family.

Ancient Japan was inhabited by many independent clans (uji), the unit of society. The age of the clans and the hereditary titles is from about 40 B. C. to A. D. 645. Beneath the Clan Chieftain, who descended from the Clan Deity, were his clansmen and many groups of people called *be*, somewhat similar to guilds or organizations. Members of a *be* were far inferior to clansmen, but higher than the slaves (nuhi). The clan located in Yamato-no-kuni eventually won control of the whole country, and its Clan Chieftains became the Sovereigns (Tenno) of Japan, and its Clan Deity became the Chief Deity of the Shinto Pantheon. That is, in ancient times, the Imperial Clan was merely the most powerful among many. Clan Chieftains of Foreign (Bambetsu), that is Korean and Chinese, immigrants were very well treated because members had so much skill in weaving and pottery making. The attacks of Chinese civilization and of the Imperial Family sapped the independence of the lesser clans. This was particularly true when many Chinese and Korean immigrants in the fifth to seventh centuries became litterae officials and skilled artisans for the Imperial Family clan.

The Yamato Kingdom expanded rapidly, so that from 356 to 510 the sphere of influence spread to southern Korea, and emissaries were sent to the Chinese court. This direct contact with Chinese civilization broke down the old government society based on clans. The influx of Chinese immigrants brought about a higher culture.

The introduction of Buddhism added cause for jealousy among the clans. The strong Soga family favored Buddhism and Chinese civilization and the Tenno, after much wavering, acquiesced. The natural result was great strength for the Soga family, and the beginning of a new social order patterned after Chinese models. By 592 the Soga Chieftain had become so powerful he had the Tenno murdered. Soga Chieftains had been acting as regents, and one, Shotoku-Taishi started Japan on the road to Chinese civilization, modeled on the T'ang political and economic institutions, the road she was to travel for many centuries. The T'ang form of government, however, was too democratic for the ruling-loving Court Nobles (Kuge), so by the late Heian era, which ended in 1167, they had been able to make so many revisions in favor of the ruling classes that they themselves were supplanted by the Feudal Barons (Buke).

An Authorized Biography

of

CHIANG KAI-SHEK

Soldier and Statesman

by

Hollington K. Tong

"A highly satisfactory production which besides giving a sympathetic account of the Generalissimo's career throws most valuable light on recent Chinese history."—*The North-China Daily News.*

"This reviewer approached Mr. Tong's work with an attitude of considerable reserve which was happily found to be unjustified to a surprising extent. Mr. Tong has written simply and with a great deal of candor, touching upon various delicate matters in fashion usually, though not invariably, open and non-partisan. Upon the whole he has done a job which would be surprisingly frank for any country, and particularly so in China .... He wishes a genuinely detached work which will accurately convey not merely the Generalissimo but the background and personalities against which his life drama has been played and that is an admirable attitude for any biographer."—*The Shanghai Evening Post & Mercury.*

"There can be no doubt as to this present work having been carefully and honestly prepared .... These volumes give a most interesting record of a man of outstanding ability.....The author, who knew the Generalissimo in his school days, has told his story in a way which should give his work a large sale."—*The Shanghai Times.*

"The work has been sufficiently well done to repay amply the vigil of those who had been patiently waiting all these years for such a complete and authorized biography. How admirably the task has been executed may be judged from the fact that this unique contemporary history is published in two volumes containing nearly 700 pages of reading matter, plus 24 excellent photographs as well as a handy chronological table brought down to May 27, 1937."—*The China Press.*

"During the perusal of the two volumes, one is apt to forget the author and his great achievement—so truly and faithfully does he bring out the remarkable traits of character of his subject, traits of character which he has sought with so much success to embody in the 'New Life Movement,' a term which stand for 'simplicity, cleanliness, manliness and helpfulness.' ....The two volumes which form this remarkable biography are well printed and produced and will find an important place in the libraries of every country of the world."—*The Hongkong Daily Press.*

"Nobody who claims or wishes an understanding of China and the Far East can afford to ignore this biography of General Chiang Kai-shek. It definitely should be among any list of ten books for 'required reading' concerning the Chinese scene."—*The China Weekly Review.*

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The Japanese Sovereign held office because of his birth, the Chinese Emperor because of his virtue. Officials in China often held posts because of their merits and abilities, which was too democratic a thing for adoption in Japan. Even in democratic Buddhism, high priests came only from powerful families. Heavy taxes and enforced army service weakened the country, since the common people were the ones who paid and served. Ranking officials were meanwhile receiving land grants and household grants, and devised all sorts of ways to increase their wealth. Through buying the support of the powerful families, of the Shinto and Buddhist priests, the government was able to set up a political and economic system patterned after the Chinese. The public land was given out to ordinary people and was also banded together in manors (shoen). The rise of the *shoen* contributed largely to the reduction of taxes paid on land. For five hundred years the government fought a losing battle trying to prevent manors, abolish them, or govern them, until the *shoen* turned into feudal fiefs and Feudal Barons begun. One reason the T'ang system did not last in Japan was due to the great illiteracy in Japan; another, the democratic Chinese system could not work in aristocratic Japan. Nevertheless, during the Pre-Heian Era (592-781) Japan was changed from a primitive, decentralized tribal kingdom to a civilized, unified, bureaucratic state.

The Sovereign changed from a great Clan Chieftain to an Emperor, and other Clan Chieftains became Court Nobles. The palaces of Nara became the capital, and Buddhism became the state religion, thus weaving Chinese institutions and Buddhist ceremonies into the pattern of Japanese society.

The Nara Period covers almost all the eighth century, when the centralized form of government worked better than ever before or after. It was a period of expansion, and a steady stream of emissaries were sent to the T'ang court to bring back current information, priests and ideas. The culture of the Imperial Court at Nara in this time of peace and prosperity became high. It was Japan's "Golden Age." The weakness of the police and military system eventually gave rise to the warriors and knights (samurai) of feudal times.

The city of Kyoto, copied after the T'ang capital, Ch'ang-an, was built as a permanent capital, and remained as such for more than a thousand years. Its loveliness had great influence on the production of artistic effort in Japan. The Fujiwara family became strong, becoming regents and pushing the Tenno to the background, so that for almost a century there was a peaceful contest for power between the Tenno and the Northern Family of Fujiwara. The Ezo were finally subjugated during this period. The centuries of combat with the Ezo had made the Japanese of the eastern provinces the best fighters in the country.

During the Late Heian Era (967-1167), political power fell into the hands of the Feudal Barons (Buke), which caused the decay of the powerful and glorious Fujiwara clan. Although the Fujiwara reduced the Sovereigns to mere puppets, they unwittingly caused the Imperial Family to remain the Imperial Family throughout Japanese history. By forming a system where the Sovereign reigned but did not rule, they saved the throne for the Family. The glory brought about by the Fujiwara also brought about irregularity between the sexes, since they provided all Sovereigns and crown princes with many wives from members of the Fujiwara Clan. After a period of governing on the part of the different Retired Sovereigns and Priestly Retired Sovereigns, the civil government collapsed, due partly to the great military power of the Buddhist and Shinto temples. From 1156 to 1167 the Feudal Barons emerged as the dominating factors at court, since the Sovereigns, Retired Sovereigns, Priestly Retired Sovereigns and Fujiwara Regents were all struggling for control of the government. Taiyo Kiyomori married his daughters into both the Imperial Family and the Fujiwara family, and began to control both families, becoming the real ruler of Japan in 1167. M. V.

An Important Point To Watch In A Child's Early Training.

Children should be brought up from their earliest years to realise the importance of regularity of the daily habit, and nothing should be allowed to interfere with this function.

When a laxative is necessary, and every child needs one at times, there is nothing more suitable than Baby's Own Tablets. These sweet tasting, absolutely harmless, little lozenges can be given with a certainty of beneficial results to the youngest infant or to the most delicate child.

A medical child-specialist's prescription, Baby's Own Tablets have found a favoured place in innumerable homes where there are children for a period of more than forty years.

Administered at the first signs of a cold, simple fever, indigestion or constipation, they speedily correct the cause of the trouble and make the child well and happy again. They sweeten the stomach, expel worms, and are a wonderful help to teething babies, quickly easing pain, inducing peaceful sleep in a perfectly natural way. Get a bottle of Baby's Own Tablets to-day; they are sold by all chemists.

China's Strength in Air Increased—More Than 200 Soviet Planes, Chiefly Bombers

That China will place more reliance on her air force is reported by those in close touch with the military situation, according to information received from Hongkong. Not only the equipment of the force is being greatly augmented, but the personnel is being rapidly increased, it is pointed out.

Only quite recently, a group of Chinese pilots, who had returned from abroad with special training in the use of aerial torpedoes, were seen spending their holidays in the south, awaiting orders to proceed to Hankow. Aeroplanes fitted with equipment for operating torpedoes are expected to play a major part in their attacks on naval vessels.

At least 200 Soviet fast planes are reported to have been added to the Chinese Air Force. The majority of them are bombers.

Nanchang Bombed for Seventeenth Time by Japanese

Japanese aircraft conducted their 17th raid on Nanchang, provincial capital of Kiangsi, Jan. 12. A fleet of 42 airplanes participated in the raid.

Japanese Naval Planes Raid Nanchang and Siaokan

Nanchang in Kiangsi Province and Siaokan in Hupeh were raided by a squadron of 24 Japanese naval planes Jan. 15, a spokesman for the Japanese Fleet authorities announced. Bombs dropped by the raiders severely damaged an engineering school at Nanchang, the spokesman said.

Fifty Japanese Airplanes Bomb Changsha

Changsha, provincial capital of Hunan, was raided by a fleet of 50 Japanese airplanes Jan. 15. Numerous bombs were dropped on the business and residential areas, destroying a number of houses and causing many casualties.

Japanese Airplane Shot Down in Kwangtung

A fleet of 32 Japanese airplanes made another raid on Pakong and Yingtak, on the Canton-Hankow Railway, Jan. 12. About 50 bombs were dropped. At Yingtak, one of the raiders was shot down by Chinese anti-aircraft guns. Japanese airplanes also bombed several districts along the Canton-Kowloon Railway.

Japanese Bomb Canton Seven Times in One Day

Twenty-five Japanese planes staged seven air raids at Canton Jan. 14. More than a hundred bombs were dropped at Sansui, Lopao, Chukiang, Kiangchen, and Yuantang, along the Canton-Kowloon and Canton-Hankow Railway lines. Since the outbreak of Sino-Japanese hostilities Japanese planes have made altogether two hundred raids over Canton and the Kwangtung railway.

Canton Spared from Big Damage by Bombing Accuracy, Says Japanese Spokesman

Canton's escape from extensive damage by Japanese aerial bombs should not be attributed to the effective anti-aircraft defense of the city, but to the accuracy of Japanese bombing, a Japanese naval spokesman said in Shanghai Jan. 14. Referring to a report, quoting an unnamed foreign traveler, the spokesman declared that Canton escaped damage "because it was never an objective for our bombers."

The Japanese raiders' objectives in Canton, he added, were restricted to such military establishments as the Tienho and Paiyun airdromes, the Whampoa Military Academy, and other institutions used by the Chinese Army and Navy. "The statements of this foreign traveler," the spokesman added, "testify to the accuracy of our bombing."

Japanese Airplanes Bomb Hoihow

Two Japanese warships were sighted off Hoihow, in the northern part of Hainan Island, Jan. 12. A squardon of seven Japanese airplanes subsequently raided Hoihow; more than 10 bombs were dropped on the residential area.

Inhabitants of Hoihow, north of Hainan Island, experienced a terrifying time Jan. 13, when five seaplanes from two Japanese warships outside the harbor raided the city. More than twenty buildings were demolished, while six persons were killed and eight wounded. All the casualties were Chinese civilians.

Kiungchow, capital of the Island, which is three miles south of Hoihow, was also bombed.

Staging new raids on Chinese lines of communication Japanese naval aircraft Jan. 13 bombed objectives over a wide area in Kwangtung. Two freight ships were sunk at Tatunghsu, while freight trains and locomotive sheds were destroyed at Yinchanyao, Chuntien, Sanhuotien and between Kongtsun and Pakong, on the Canton-Hankow Railway.

Japanese Fliers Claim Nine Planes Hit in Hankow

Nine grounded planes, two of them large bombers, were blown to bits in the course of the raid on the Hankow airdrome Jan. 11, the headquarters of the Japanese China Sea Fleet announced the following day.

A HELPING HAND NEEDS A HELPING HAND

The Shanghai International Red Cross (holding a charter from the Red Cross Society of China) is faced with the problem of providing immediate relief for tens of thousands of Chinese and foreign refugees. These needs are bound to increase as winter approaches.

With a view to supporting its work for the next six months, the Shanghai International Red Cross is now launching a financial drive to raise $10,000,000, from domestic as well as foreign sources.

Will you give us a helping hand in this humanitarian work?
If so, please sign the following blank and send us your contribution today.

W. W. Yen, Chairman
J. E. Baker, Director
Sao-Ke Alfred Sze, Chairman of Publicity and Appeals Committee

.....

To Shanghai International Red Cross
505 Honan Road, Shanghai

Desiring to have a share in assisting the victims of war, I enclose herewith a check or postal money order for Dollars.....as my donation to the Shanghai International Red Cross.

Name .....

Address .....

WOULD 200 PERSONS BE INTERESTED

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THE REVIEW has published in its weekly issues a complete day-to-day record of the war. Recently many persons have suggested the reprinting of the record in a booklet which could be used for reference or mailed to friends abroad who are interested in developments here.

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